



Director of
Central
Intelligence

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Romania: The Outlook for Ceausescu

Special National Intelligence Estimate

~~Top Secret~~

SNIE 12.7-83

22 December 1983

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SNIE 12.7-83

**ROMANIA: THE OUTLOOK
FOR CEAUSESCU**

Information available as of 20 December 1983
was used in the preparation of this Estimate.

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THIS ESTIMATE IS ISSUED BY THE DIRECTOR OF CENTRAL INTELLIGENCE.

THE NATIONAL FOREIGN INTELLIGENCE BOARD CONCURS.

The following intelligence organizations participated in the preparation of the Estimate:

The Central Intelligence Agency, the Defense Intelligence Agency, the National Security Agency, and the intelligence organization of the Department of State.

Also Participating:

The Assistant Chief of Staff for Intelligence, Department of the Army

The Director of Naval Intelligence, Department of the Navy

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KEY JUDGMENTS

We believe President Ceausescu's position will grow increasingly precarious over the next year. The economy will continue to stagnate without substantial infusions of aid from the outside, which are unlikely to materialize from either the Soviets or the West. Ceausescu seems unlikely to improve living conditions by backing off from his austere policies, relying instead on his security apparatus and repressive measures to keep popular disaffection in check. The poor crop this year and continuing energy shortages will cause additional economic dislocations, especially over the winter months. These will come at a time of declining popular morale and could set off serious and widespread unrest which the Ceausescu regime could have difficulty suppressing.

[Redacted]

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As economic and social conditions deteriorate, divisions within the leadership are likely to sharpen, and disaffection throughout the party and governmental bureaucracy is likely to increase. Ceausescu, in turn, will probably rely even more heavily than at present on the security apparatus and on relatives and loyalists to protect his position. He may also seek scapegoats among his subordinates for his own policy failures.

[Redacted]

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It is under such conditions—severe economic distress, serious popular unrest, and moves by Ceausescu to sacrifice others in the leadership—that a move to oust him would be most likely. Key subordinates might try to oust Ceausescu rather than go down with the ship or be pushed aside in another purge of the leadership. A move against him would gain considerable support from the party rank and file and probably from the country as a whole.

[Redacted]

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Ceausescu, however, has considerable resources for defending his position. His placement of close relatives and loyal lieutenants in sensitive positions helps him keep tabs on key subordinates and exercise near-total control of the party and government. He is both shrewd and ruthless, and has taken care to tighten security as he has tightened the economic belt. Most Romanians, inside and outside the party and government, are fearful and intimidated by Ceausescu's secret police. For these reasons, we estimate that Ceausescu has a better than even chance of surviving the next 12 months.

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If a move against Ceausescu were to develop, it would probably come from individuals within the inner circle. To succeed, it would almost certainly need the support, if not the leadership, of those individuals with responsibility over the security and military services. Because of Ceausescu's precautions to protect his position, the plotters would have to work in great secrecy. Hence, we are not likely to get any forewarning, unless the effort to unseat Ceausescu came at a time of great turmoil in the country. [redacted]

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Ceausescu would probably be succeeded by a collective leadership. The new leaders might try to buy time with the populace by promising a more humane political climate and a more consumer-oriented economic strategy. They would probably ease up on import restrictions to improve living conditions. They would probably promise a slowing in the pace of industrialization and might promise a relaxation of internal security and censorship controls. We strongly doubt that the new leadership would raise the prospect of any significant move away from Marxist-Leninist principles. [redacted]

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Romania's foreign policy would probably lose its flamboyance without Ceausescu. We believe his successors would continue Ceausescu's independent-minded foreign policy strategy, which the vast majority of Romanians support. Continuing severe economic problems and their own political weakness, however, might cause the new leaders to explore the possibility of adopting a more pro-Soviet line on international issues and a more cooperative posture toward the Warsaw Pact and the Council for Mutual Economic Assistance (CEMA) in return for substantial economic assistance from the USSR. The Soviets, however, are unlikely to provide significant economic support to Romania. [redacted]

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The USSR's primary interest in Romania is to preserve the continuation of Communist rule, Romania's membership in the Warsaw Pact and CEMA and the territorial buffer zone between the USSR and Central Europe which Romania represents. Ceausescu has served Soviet interests, as well as his own, by maintaining strict Communist Party control and suppressing any elements that might pose a challenge to it. The Soviets also have an interest in reining in Romania's foreign policies and tying the country more closely to the Warsaw Pact and CEMA. Ceausescu's posturing inside and outside Warsaw Pact circles is sometimes a nuisance to Moscow, but the Soviets have expended relatively little effort over the past 19 years to whip him into line. [redacted]

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The Soviets will try to use Romania's present difficulties to move Ceausescu into a more subservient relationship, but it is unlikely that they will use their limited economic or political leverage to force

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Ceausescu from power or to change his external policies. Toppling Ceausescu runs the risk of destabilizing an already fragile situation; also it is unlikely that the Soviets have the clandestine assets inside Romania to do so. Pressuring him into major policy changes would probably prove counterproductive.

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The Soviets, however, would probably feel compelled to take action, possibly including an effort to oust Ceausescu, if:

- The collapse of Communist rule in Romania appeared a real danger.
- Ceausescu or his successors threatened Soviet interests by turning Romania sharply to the West and attempting to withdraw from the Warsaw Pact.

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In the latter case, the Soviets would attempt to pressure Bucharest by blandishments and threats and, if they proved ineffective, would use whatever covert assets they have in Romania, along with troop movements along the border, to get the Romanians to back off. If these pressure tactics failed to convince them to reverse course, the Soviets would, as a last resort, take direct action. If Communist rule in Romania seemed threatened by widespread disorder, the Soviets would support Ceausescu's or his successors' efforts to restore order with security and military forces. If that did not work, the Soviets would send their own troops.

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US assistance and support could help Ceausescu maintain his present position vis-a-vis the Soviets, but the chances are slim that the United States could induce behavior by Ceausescu that is significantly more congenial to US interests than at present. His care not to exceed what he perceives as the limits of Soviet tolerance imposes narrow constraints on his foreign policy independence. He would, moreover, regard any suggestion that he soften his repressive internal policies or halt support of anti-American "national liberation movements" as unacceptable interference in Romania's affairs.

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Ceausescu's successors would probably be less inclined than he to risk Soviet opposition by getting too close to the United States. They would be operating under the same geopolitical realities as Ceausescu without his offsetting experience in dealing with Moscow and his international stature. Preoccupied with solidifying their domestic position, they would probably feel more vulnerable to Soviet pressure.

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Figure 1



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DISCUSSION

1. President Ceausescu has dominated the Romanian political scene since taking over as party leader nearly 19 years ago. Through shrewd manipulation of people and institutions, he now rules virtually by decree. He has built his personal authority through the development of a pervasive personality cult and the placement of close relatives in key positions. He has imposed on the Romanian people a harsh internal regime that combines political repression, a highly centralized system of administration, tight control over consumer goods availability, and a forced-draft industrial development strategy. He is best known, however, for his activist, independent-minded foreign policy that has built on the legacy of his predecessor, Gheorghe Gheorghiu-Dej, who initiated Romania's disengagement from tight Soviet control in the early 1960s. Ceausescu's even more determined assertion of Romania's right to conduct its affairs free from outside interference has led to frequent spats with his Soviet allies and to cordial relations with a wide array of Western and Third World countries.

2. Ceausescu's blend of Stalinist internal rule and maverick foreign policy behavior worked well for the first decade or so of his rule, as Romania achieved remarkably high rates of economic growth and Ceausescu's foreign policy exploits—especially his defiant opposition to the Soviet-led Warsaw Pact invasion of Czechoslovakia in 1968—won him international attention and domestic popularity. At the same time, tight internal controls stifled overt dissent against his anticonsumer, breakneck industrialization program. These early successes, however, masked inherent weaknesses, including the inefficiency of the over-centralized management system; neglect of key sectors, such as agriculture; and bad planning that failed to take sufficiently into account growing scarcities of energy, raw materials, skilled labor, and hard currency.

3. These weaknesses began to catch up with Ceausescu in the late 1970s, as economic growth began to slow, the hard currency debt began to mount, energy became more scarce and costly, and the public

mood began to sour. Ceausescu sought to alleviate his growing economic problems through favorable trade arrangements with his Warsaw Pact allies, but they were not willing to help. Growing public frustration with Ceausescu's hard line at home was expressed in the form of a major strike by coal miners in 1977 and the formation of a small free trade union in 1979, both of which were quickly and forcefully suppressed. Distress within the ranks of the bureaucracy over Ceausescu's high-handed ruling style also became more pronounced.

4. The pressures against Ceausescu have become particularly acute over the past three years in consequence of the financial crisis, a marked slowdown in economic growth, an increase in popular restiveness, and fresh difficulties with the USSR over Council for Mutual Economic Assistance (CEMA) integration and defense spending. Ceausescu has weathered the storm so far, but he has done little to resolve the underlying causes of his troubles. His problems could grow much worse over the course of the winter. Due to the secretive nature of Romanian society and the paucity of reliable information on the inner workings of the Romanian leadership, however, we may have little forewarning of a move against him.

The Challenge to Ceausescu

5. Ceausescu's most difficult problem is the continued decline of the economy, intensified by austerity measures designed to deal with Romania's severe hard currency problems. In what appears to be an emotional overreaction to the "humiliation" of debt reschedulings the past two years, Ceausescu drastically slashed hard currency imports by 33 percent in 1982, and by an additional 11 percent during the first five months of 1983. This loss of imports, especially oil, machinery, and livestock feed, has, when added to the existing economic problems, nearly arrested economic growth. GNP is stagnating, the growth of industrial production fell to a postwar low of 1.1 percent in 1982, and preliminary indications suggest only slight—if any—recovery in 1983. Agricultural output has been very poor in three of the past four years.

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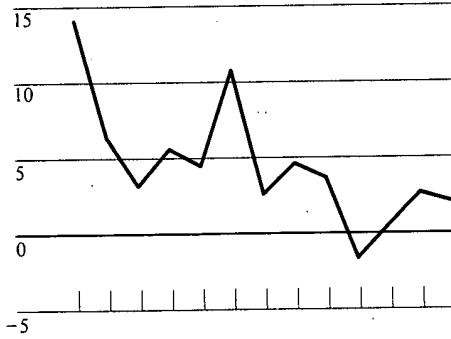
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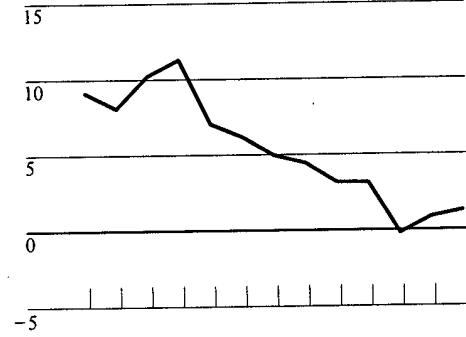
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Figure 1
Romania: Selected Economic Indicators, 1971-83^a

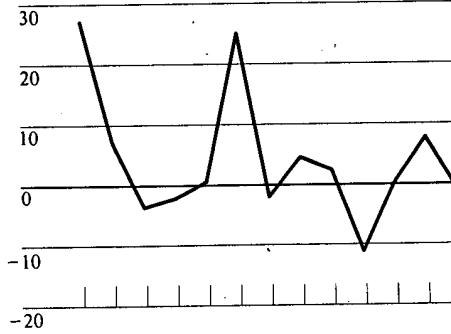
Annual rates of growth, percent
Total GNP



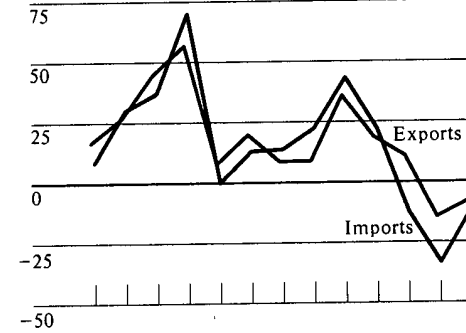
Industry



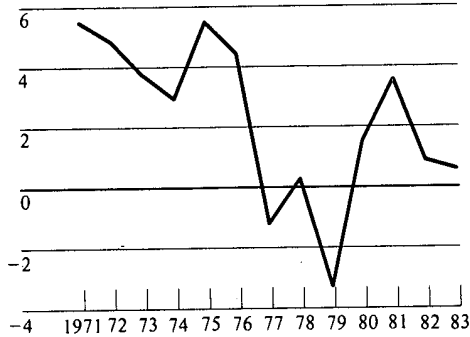
Agriculture



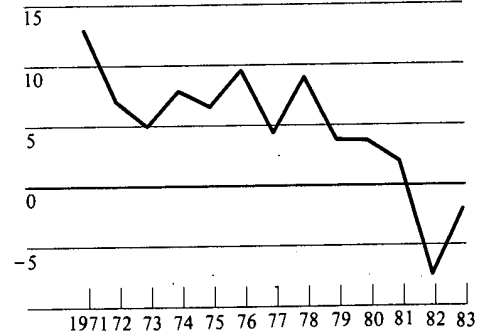
Hard Currency



Energy Production



Personal Income



^a 1983 values are estimates.

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6. Consumers have borne the brunt of the austerity program. Food shortages, especially of meat, flour, sugar, and dairy products, are the worst since the early 1950s; real personal income has declined for the first time in recent history; energy shortages have disrupted work and caused widespread hardship; and working conditions have deteriorated as a result of increased working hours, pay cuts, and higher penalties for absenteeism. [redacted]

7. There is reason to believe the situation could become much worse this winter. Reports of drought earlier in the year and indications that fuel shortages hampered harvest activities strongly suggest that preliminary official reports of an average crop this year are exaggerated and that food supplies will be particularly short this winter. Restrictions imposed earlier in the year on the private marketing of agricultural goods have reduced the availability of farm produce, and food imports have been cut. Energy shortages are worsening, largely as a result of greatly reduced hydroelectric generation and problems in natural gas supplies. The regime has ordered a 50-percent cut in all domestic energy consumption not directly tied to production. This will directly affect the comfort of most Romanians this winter; even if energy for home heating is available, recent energy price hikes will significantly reduce standards of living. New measures to link wages more closely to plan fulfillment could sharply reduce worker income during the winter months, when shortages of energy and raw materials will virtually ensure that overly optimistic production goals in most sectors of the economy will not be met. [redacted]

Rising Discontent

8. Not surprisingly, public disturbances are on the rise again, after having fallen off somewhat from the rash of protests that took place in 1980 and 1981. Traditionally militant coal miners apparently have staged several brief strikes in recent months and also tried to form an independent trade union. A recent strike by over 1,200 factory workers, which escalated into a march on a local police station and a confrontation with armed militia and security forces, suggests the spread of militancy outside mining areas. Reports of increased worker absenteeism and industrial sabotage, the intermittent appearance of antiregime leaflets, and increasingly open and bitter criticism of

Ceausescu as the main cause of the population's miseries testify to the uneasy mood and Ceausescu's continuing loss of standing with the Romanian people. However, there is no evidence thus far that disgruntled workers in different parts of the country have begun to link up or have the organization for concerted action at this time. [redacted]

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9. There have been signs over the past year of restiveness among the sizable (nearly 2 million) Hungarian community, which is concentrated in Transylvania. The arrest last year of several Hungarian intellectuals for charging the regime with "cultural genocide" sparked protests, and there has subsequently been a rise in antiregime sentiment and demonstrations by the Hungarian community. Tensions between ethnic Hungarians and Romanians could heat up as unrest over economic conditions increases. [redacted]

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Political Disaffection

10. Reports over the past two years indicate that criticism within the leadership of Ceausescu's handling of the economy has grown substantially. [redacted]

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11. There is also growing dissatisfaction at all levels of the bureaucracy with Ceausescu's capricious and highly personal ruling style and his ineffective economic policies. Indeed, purges inside the bureaucracy and the replacement of about one-third of the party leadership and nearly half of the Council of Ministers over the past two years seem to be an effort by Ceausescu to neutralize criticism, make the apparatus more responsive to his dictates, and find scapegoats for his own policy failures. [redacted]

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12. There have also been signs this year of some disgruntlement in the military, which has lost prestige in recent years and has been increasingly relegated to economic tasks. Rumors early in the year of a military coup against Ceausescu probably were groundless, but their persistence and rapid spread among military personnel reflect widespread anti-Ceausescu feeling. The authorities went to considerable trouble to counter the rumors and have launched investigations of discontent in the military. [redacted]

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Foreign Policy Problems

13. Possibly because of his growing difficulties at home, Ceausescu has reacted especially strongly to perceived threats to Romanian sovereignty from abroad. Relations with Moscow have deteriorated this year as Romania has resisted Soviet pressure for a common Warsaw Pact response to NATO deployment of INF—reportedly blocking tough joint Pact statements proposed by the Soviets on countermeasures on at least two occasions—and opposed moves for closer economic integration within the Council for Mutual Economic Assistance. Ceausescu evidently does not get along well with Soviet leader Andropov.

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14. Ceausescu's relations with the West have also deteriorated, largely because of Romania's difficult behavior toward its creditors in the early stages of its financial crisis and its decision last year to require prospective emigrants to reimburse the state in hard currency for the cost of their education. He subsequently agreed not to implement the "education tax," but continuing concerns in the West about Romania's poor human rights performance and incompetent management of its economy are still hurting Ceausescu's standing and reducing his influence on the international scene.

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Sources of Strength—and Weakness

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18. The strength and loyalty of the security forces are a big plus for Ceausescu. Through its pervasive informer network, the "Securitate" has intimidated the populace which, despite its growing deprivation, remains cautious, disunited, and generally reluctant to challenge established authority. The tremendous gulf that still separates intellectuals from workers and peasants and the lack of any widely accepted rallying point against the regime impede the formation of an organized opposition such as occurred in Poland. Ceausescu's strong personal control also enables the regime to respond quickly to disturbances, isolate them, quell them, and take prompt, temporary measures to deal with the immediate causes of discontent.

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19. There is a danger, however, that Ceausescu will become too reliant on the security forces. There are reports that security officials pushed the "education tax," which Ceausescu later had to back away from

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under pressure from the United States and West Germany. There is also some question about the security forces' continuing fealty to Ceausescu, despite their pampered treatment. Their current leaders, Interior Minister Homostean and Chief of State Security Postelnicu, are drawn from the party bureaucracy rather than from the security apparatus, and they appear to be loyal to Ceausescu. But there is a long history of trouble between Ceausescu and the security apparatus. It had been the bastion of Ceausescu's most serious rival for leadership of the party in 1965 and was subjected by Ceausescu to continual reorganization and purges during much of the 1970s. [redacted]

22. Ceausescu's overweening pride and his deeply felt anger at what he perceives as unwarranted interference in economic decisionmaking by Romania's creditors, however, argue against his easing the drive to reduce Romania's hard currency debt. [redacted]

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23. Another alternative, that of seeking economic gains through improved relations with the Third World—mainly oil-rich Middle Eastern states—or with the West, seems unlikely to yield significant benefits. Romania has little to offer. While it has boosted arms sales for hard currency in recent years, the overall economic gains are not yet substantial and Third World countries are complaining about the shoddiness of Romanian manufactures. Western business and financial institutions, moreover, are unlikely to go out of their way to open new links with Romania in view of their recent experiences with Romania during its debt crisis. Western governments, in addition, are not likely to extend substantial aid to Romania without major policy changes by Ceausescu, such as significant internal liberalization or a sharp reduction of ties with the USSR—moves Ceausescu would find dangerous to make. [redacted]

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Narrowing Options

Economic

20. The key to Ceausescu's improving his political position is to halt the economy's slide and improve living and working conditions, but the economy's deep-seated problems are not conducive to quick resolution—certainly not within the next year. Current policies will not improve the lot of the average Romanian. Indeed, they are not designed to do so, at least over the short term. Their main purpose is to improve Romania's external financial situation while keeping damage to the industrial economy to a minimum. Thus, the regime reduces imports to the bone, concentrates the cuts primarily on personal consumption and to a lesser extent on investment, and tries to increase worker productivity through exhortation and coercion. [redacted]

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21. Ceausescu has opted for forcing the economy to yield a far larger trade surplus than Romania's creditors would have required. He could, if he chose to do so, ease up and improve consumer supplies by reducing exports and increasing imports somewhat. He could also improve working conditions by not cutting wages as sharply as his new program threatens to do and by maintaining working hours, rather than increasing them, as he has done in some sectors. The cost would be relatively modest and would not significantly set back Ceausescu's effort to ease his debt burden. [redacted]

24. Ceausescu could also try to obtain economic help from the Soviets—which he, in fact, has already done, but with no significant results. The Soviets, with economic problems of their own, are very reluctant to help Ceausescu—as has been indicated by their rebuff of his entreaties over the past three years for greater access to Soviet energy and raw materials. Even if they were to consider giving help to Ceausescu, the Soviets would probably require political concessions that would, in effect, move Romania into the mainstream of the Warsaw Pact. Ceausescu, presumably aware that any such action would remove his sole remaining prop of domestic legitimacy and make him dangerously dependent on Moscow, has avoided making any such concessions. [redacted]

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Political

25. Ceausescu could opt for other, noneconomic, means to strengthen his standing in the country. He could pick a public fight with Moscow to burnish his image to the Romanian people as their protector against Soviet interference. Such considerations, in fact, may be behind his current diplomatic activism, especially his effort to stake out an "independent"

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position on the INF issue. It is questionable, however, in view of the Romanian people's economic misery, whether they would respond to anything but the most dramatic Soviet threat. Ceausescu also could try to distract the public by playing on latent anti-Hungarian and anti-Semitic sentiment. But this would probably not help his own position very much and would risk the further loss of support in the West.

26. Conceivably, Ceausescu could choose a more radical course of seeking popular support by significantly loosening internal controls and decentralizing political authority. But such a move would cut against his authoritarian instincts. It could also be highly dangerous, since it might well release suppressed anti-Ceausescu sentiment both among the populace and within the bureaucracy.

27. Ceausescu has options for improving his security position whether the economy or public morale improve or not. The most obvious—beefing up security forces and tightening repressive controls—has been used in the past and seems to be continuing. The regime has increased the number of security force personnel generally, has continued to monitor worker attitudes, and has recently required the registration of all typewriters, presumably to assist in identifying authors of antiregime pamphlets. Security for Ceausescu during trips within the country and at major events has also been increased substantially, although it is still far from airtight.

28. A return to the tactic of increasing the pace of personnel changes to keep potential opponents off balance may seem attractive to Ceausescu, but it could boomerang by inciting action against him. Ceausescu, in fact, has carried out relatively few changes this year in comparison with the frantic pace of 1981 and 1982.

Outlook

29. We believe Ceausescu's position will grow increasingly precarious over the next year. He cannot turn the economy around quickly without substantial infusions of aid from the outside, which he cannot obtain without making unacceptable concessions to the Soviets or the West. He also seems unlikely to make the short-term adjustments necessary to improve living and working conditions. The continuation of current austere policies, which seems the most likely course he

will follow, will slow growth further. The poor crop this year and continuing energy shortages will cause additional economic dislocations, especially over the winter months. These will come at a time of declining popular morale and could set off serious and widespread unrest that the Ceausescu regime could have difficulty suppressing. The security forces, numbering some 20,000 troops, may have insufficient manpower to handle widespread disturbances. Indeed, in the recent past they have needed support from the regular military to put down relatively isolated incidents. The military is not trained in crowd control, however, and it is questionable how effective a force it would be if it faced widespread and large-scale disturbances.

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30. As social conditions deteriorate, divisions within the leadership are likely to sharpen and the disaffection of the bureaucracy likely to increase. Ceausescu, in turn, will probably rely even more heavily than at present on the security apparatus, and he may seek scapegoats among his subordinates for his own policy failures. It is under such conditions—severe economic distress, serious popular unrest, and moves by Ceausescu to sacrifice others in the leadership—that a move to oust Ceausescu would be most likely.

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31. We believe a credible challenge to Ceausescu could only be mounted by, or at least with the cooperation of, individuals within or near the inner circle. Due to the precautions Ceausescu has taken to identify and remove suspected opponents, a successful move against him probably would have to be well disguised, well planned, and executed with speed and—quite likely—force. The most likely players:

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— *Constantin Dascalescu*, whose rapid consolidation of power over the government since becoming Prime Minister in 1982, along with contacts made while he was party secretary for organization, make him a formidable contender. He is reported to have some claim on the loyalties of Chief of State Security Tudor Postelnicu.

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— *Tudor Postelnicu*, who seems to have much more power than his nominal superior, Minister of Interior Homostean. Given the power of the security apparatus today, Postelnicu, or at least his major subordinates, would have to be on board for any coup to succeed.

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- *Ilie Verdet*, a party secretary who is a longtime Ceausescu ally but who also seems to have lost favor. He has good contacts throughout the bureaucracy and would seem to have the strongest motives among those in the leadership for challenging Ceausescu. But Verdet is probably also the most closely watched.
- *Emil Bobu*, a powerful, shadowy party secretary who has had responsibility over cadre appointments and military and security matters. He could be a tough obstacle to any move against Ceausescu that did not include him.
- *Iosif Banc*, powerful, but handicapped by his ethnic Hungarian background and his unsavory reputation among his peers as a Ceausescu hatchet man.
- *Ion Coman*, a tough and capable party secretary who has dominated Minister of Defense Olteanu.
- Interior Minister *Gheorghe Homostean* and Defense Minister *Constantin Olteanu*, who cannot be ruled out but seem less likely to play a major role because of their more limited authority.

It is unlikely that all these individuals would cooperate in an effort to force Ceausescu out, as some are personally closer to him than others. Individuals like Bobu, Banc, and Coman are more likely to be defenders of Ceausescu than plotters against him. In addition, there is a possibility that a move could be initiated by second-echelon officers of the military or the Securitate. Little is known about the attitudes of this group.

A Post-Ceausescu Leadership

32. If Ceausescu were ousted in the coming year, he would probably be succeeded by some kind of collective leadership, probably dominated by individuals from the group cited as potential coup players. Such a leadership probably would be uncertain and fragmented.

33. The new leaders might try to buy time by distancing themselves from some of Ceausescu's more onerous policies and promising a more humane political climate and a more consumer-oriented economic strategy. They would probably ease up on import restrictions to improve living conditions. They would

probably favor a slowing in the pace of industrialization and might promise a relaxation of internal security and censorship controls. They nonetheless would probably refrain from deviating drastically from Ceausescu's course, out of both conviction and the difficulty of getting the bureaucracy to change direction. The group from which the new leaders would most likely emerge is clearly Communist in orientation, although we know little of their specific views

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34. Romania's foreign policy would probably undergo certain changes, as Ceausescu's successors turn inward and concentrate on domestic problems. We believe they would resist pressure to abandon Ceausescu's independent-minded foreign policy strategy, however, as that is something on which the vast majority of Romanians agree and is a valuable asset the new leaders would not want to discard. Severe economic problems and possible widespread unrest, however, might force them to consider making political concessions to the USSR in exchange for economic assistance. Such concessions might include a more pro-Soviet line on international issues and a more cooperative posture toward the Warsaw Pact and CEMA. But it is unlikely that they would buy much additional economic assistance from the Soviets and are therefore unlikely to go very far.

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Implications

For the Soviets

35. The USSR's primary interest in Romania is to maintain a stable, orthodox Communist regime in a country with which it shares an 830-mile border and which also borders two other Soviet client states. The Soviets have generally been satisfied that Ceausescu's strict internal rule has served their interests, although criticisms this year

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suggest Moscow may have begun to question Ceausescu's ability to continue to hold things together.

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36. The Soviets also have an interest in reining in Ceausescu's independent behavior, which has at times hindered Soviet foreign policy. By resisting further integration into the Warsaw Pact and CEMA, he has obstructed Moscow's use of these organizations as instruments of control over its client states in Eastern Europe. He has also deprived the Soviets of unanimous backing within the Warsaw Pact on a number of

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important international issues—most recently, on responding to NATO deployment of INF—and has collaborated on occasions with the Yugoslavs, the Chinese, and the Spanish and Italian Communists in opposing Moscow's claim to leadership of the world Communist movement. He has also diverged from the Soviet line in such international forums as the United Nations and the Conference on Security and Cooperation in Europe and is likely to do so again in the Conference on Disarmament in Europe [redacted]

37. Countervailing economic and political interests, however, have inhibited major action by the Soviets to bring Romania back into line. Economic problems at home and commitments elsewhere discourage significant expenditures to buy more submissiveness by Romania or to help prop up the regime. Moscow's desire to project an image to Western Europe of a peaceful, united Warsaw Pact, to encourage public resistance there to INF deployment, and generally to widen differences between the United States and its West European allies also argue against open threats or hostile action against Romania. It has been very difficult for Moscow to cultivate Ceausescu's subordinates because of the anti-Soviet atmosphere that has long prevailed in Bucharest. It also seems likely that the Soviets lack reliable clandestine assets in Romania because of Ceausescu's continuing purges of suspected Soviet sympathizers over the past 19 years. [redacted]

38. Moscow might try to take advantage of Ceausescu's present difficulties at home to move him into a closer relationship, but probably will not try to force him from power or pressure him into major policy changes. Although the USSR has some leverage as Romania's leading trade partner, that leverage is limited. Bucharest has so diversified its sources of key raw materials that it now relies heavily on Moscow only for coking coal (some 20 percent of its consumption) and iron ore (40 percent). A Soviet cutoff of deliveries would cause some dislocations, but Romania would eventually substitute enough from Third World or Western suppliers to get by. A trade boycott by Moscow, moreover, if it caused serious economic dislocations which led to unrest or to Ceausescu's ouster, would run counter to the USSR's goal of maintaining stability in Romania. A cutoff, or a threat of one, might even strengthen Ceausescu's position by encouraging the leadership to rally around him. [redacted]

39. There are conditions, however, under which the Soviets would feel compelled to take serious action

against Romania, possibly including an attempt to oust Ceausescu. Such conditions include:

- An unraveling of the internal fabric, through either generalized unrest or disarray within the leadership, which threatened the continued dominance of the Communist Party.
- An effort by Ceausescu or his successors to turn sharply toward the West or a threat to pull out of the Warsaw Pact. [redacted]

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40. In the unlikely event Ceausescu or his successors threatened a major foreign policy shift, the Soviets would use threats and blandishments to get Bucharest to back off. If these proved ineffective, they would use whatever covert assets they have in Romania. They might also try to exploit discontent among the ethnic Hungarian minority as a pressure tactic, although this could have the negative effect of uniting the ethnic Romanian majority around the leadership, spreading unrest through Romania, and inflaming nationalism in Hungary and among the USSR's own Romanian minority in the Moldavian SSR. [redacted]

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41. The USSR would conduct troop movements, increase deployments, or hold major exercises along Romania's borders to demonstrate the gravity with which it viewed the situation. If the Romanian leadership were in disarray, this tactic could be effective in tipping the balance in Moscow's favor. It could also backfire, however, by increasing support among the populace for the leadership, thus forcing Moscow to advance toward an even riskier course—taking direct action. [redacted]

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42. If Communist rule in Romania seemed threatened by widespread disorder, the Soviets would encourage Ceausescu's or his successor's efforts to restore order with security and military forces and possibly even offer to help. If the regime were unable to handle the situation, the Soviets would send their own troops in to preserve stability. [redacted]

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For the United States

43. US interests in Romania tend to be the opposite of those of the USSR. To the extent that Romanian policies hinder Moscow's efforts to strengthen control over its East European empire, undermine its dominance of the world Communist movement, or embarrass the USSR in the international arena, US interests

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are served. Conversely, Romania's pursuit of more pro-Soviet policies or its return to the Soviet orbit would be a minus for the United States. A renewed Soviet military presence in Romania (Soviet troops were withdrawn from Romania in 1958) would threaten directly and indirectly the security interests of many neighboring states of importance to the United States. Yugoslavia would be concerned about an increased threat to its independence. Unease would also be apparent in Rome, Vienna, Athens, and Ankara because their security interests require that Yugoslavia remain a buffer along the borders of the Warsaw Pact.

[redacted]

44. Ceausescu's pursuit of his own and Romania's national interests on balance probably has benefited US interests, as it has caused problems for the Soviets. Ceausescu's care not to go beyond what he perceives as the limits of Soviet tolerance, however, has imposed fairly narrow limits on his independent behavior. Moreover, he steadfastly resists—and seems to resent—US urgings that he moderate his repressive internal policies, and he openly supports anti-American "national liberation movements" abroad.

[redacted]

45. The United States can help Ceausescu maintain his stance toward the USSR through economic assistance and frequent high-level contacts. Ceausescu values good relations with Washington as a source of prestige and as a buffer against Soviet pressure. The chances are slim, however, that the United States could induce significantly greater independent behavior or responsiveness to US concerns on Ceausescu's part, due both to the geopolitical constraints on Romania and Ceausescu's sensitivity to what he perceives as interference in Romania's internal affairs. US assistance, moreover, will not cure Romania's economic ills, as Ceausescu appears very unlikely to make the necessary reforms of his rigid, Stalinistic management system to take advantage of such aid.

[redacted]

46. A successor regime, at least at first, would be likely to downplay independent foreign policy behavior as it focuses its attention on domestic problems. Weak and probably divided, Romania's new leaders would be more vulnerable than Ceausescu has been to Soviet pressure and penetration. At the same time, the United States is unlikely to have any more influence on them than it has had on Ceausescu, given the geopolitical realities of their position.

[redacted]

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If Ceausescu Stays

47. Ceausescu's problems are long term in nature and will be around to plague him should he remain in power beyond the next year. Unless Ceausescu alters current economic policies—and he appears disinclined to do so—the economy will stagnate at best, and possibly continue its gradual decline, and the chances for major dislocations from sudden shocks will increase. As living and working conditions continue to decline, sporadic disturbances will probably grow in scope, number, and intensity. There is a possibility that Romania's relatively passive workers and peasants could over time become activated by such turmoil. Ceausescu could find it increasingly difficult to keep the leadership under his thumb, and the odds favoring a move against him would probably increase.

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48. Ceausescu's worsening problems at home will put pressure on his maverick foreign policy. He will seek accommodation with the Soviets to gain favorable economic treatment, but will be careful not to give up his freedom of action. To gain help from the West, he will try to refurbish his credentials as an independent world statesman, possibly with some sort of grandstand play on a major international issue. He may also move Romania closer to the radical Arab states in order to assure a steady source of oil supplies. This increasingly contradictory approach is unlikely to yield substantial economic gain, raising the possibility that Ceausescu will be pressured into even more erratic foreign policy maneuvers.

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