

# ROMANIAN TRADE AGREEMENT

---

HEARINGS  
BEFORE THE  
COMMITTEE ON FINANCE  
UNITED STATES SENATE  
NINETY-FOURTH CONGRESS  
FIRST SESSION

ON

## S. Con. Res. 35

A RESOLUTION TO APPROVE A BILATERAL COMMERCIAL  
AGREEMENT BETWEEN THE UNITED STATES AND THE SO-  
CIALIST REPUBLIC OF ROMANIA

---

JUNE 6, AND JULY 8, 1975



Printed for the use of the Committee on Finance

U.S. GOVERNMENT PRINTING OFFICE

53-381

WASHINGTON : 1975

---

For sale by the Superintendent of Documents, U.S. Government Printing Office  
Washington, D.C. 20402 - Price \$2.00

29  
5361-31

THIS MICROFICHE CONTAINS FRAMES THAT ARE ILLEGIBLE OR DIFFICULT TO READ AND ARE NOT SUITABLE FOR MAKING PAPER-COPY ENLARGEMENTS. ALTHOUGH A CLEAR VERSION OF THE COPY FROM WHICH IT WAS MADE COULD NOT BE OBTAINED PRIOR TO FILMING, BETTER COPY IS BEING SOUGHT AND THE MICROFICHE WILL BE REPLACED WHEN AND IF IT IS OBTAINED.

#### COMMITTEE ON FINANCE

RUSSELL B. LONG, Louisiana, *Chairman*

HERMAN E. TALMADGE, Georgia  
VANCE HARTKE, Indiana  
ABRAHAM RIBICOFF, Connecticut  
HARRY F. BYRD, JR., Virginia  
GAYLORD NELSON, Wisconsin  
WALTER F. MONDALE, Minnesota  
MIKE GRAVEL, Alaska  
LLOYD BENTSEN, Texas  
WILLIAM D. HATHAWAY, Maine  
FLOYD K. HASKELL, Colorado

CARL T. CURTIS, Nebraska  
PAUL J. TANNIN, Arizona  
CLIFFORD P. HANSEN, Wyoming  
ROBERT DOLE, Kansas  
BOB PACKWOOD, Oregon  
WILLIAM V. ROTH, JR., Delaware  
BILL BROCK, Tennessee

MICHAEL STERN, *Staff Director*

DONALD V. MOOREHEAD, *Chief Minority Counsel*

# CONTENTS

## ADMINISTRATION WITNESSES

Hon. Frederick B. Dent, U.S. Special Representative for Trade Negotiations, accompanied by:	
Hon. John K. Tubor, Under Secretary of Commerce; and	
Hon. Arthur A. Hartman, Assistant Secretary of State for European Affairs -----	<b>Page</b> <b>102</b>

## PUBLIC WITNESSES

AFL-CIO, Ray Denison, legislative representative, accompanied by: Elizabeth Jager, trade economist-----	<b>6</b>
American Hungarian Federation, Dr. Z. Michael Szaz, accompanied by: Laszlo L. Eszenyir, chairman, foreign-relations committee of the American-Romanian delegation; and Bishop Zoltan Beky, president, American Hungarian Federation-----	<b>56</b>
American Romanian Committee for Assistance to Refugees, Reverend Florian M. Galdau, chairman-----	<b>37</b>
Association of the Romanian Catholics of America, Pamfil A. Riposanu-----	<b>82</b>
Berry, Max, executive director, East-West Trade Council-----	<b>26</b>
Conference of Presidents of Major American Jewish Organizations, Rabbi Israel Miller, chairman-----	<b>23</b>
Crawford, William A., director, foreign relations, WJS, Inc.-----	<b>76</b>
Denison, Ray, legislative representative, AFL-CIO, accompanied by Elizabeth Jager, trade economist-----	<b>6</b>
East-West Trade Council, Max Berry, executive director-----	<b>26</b>
Galdau, Reverend Florian M., chairman, American Romanian Committee for Assistance to Refugees-----	<b>37</b>
Helms, Hon. Jesse, A U.S. Senator from the State of North Carolina-----	<b>111</b>
Kremer, Dr. Charles H., president, Romanian Jewish Federation of America, accompanied by: Dean Milhovan, Romanian-American Christian Committee; and Constantine Antonovici-----	<b>87</b>
Lamm, L. J., director, Clark Equipment Co., on behalf of National Association of Manufacturers-----	<b>18</b>
Miller, Rabbi Israel, chairman, Conference of Presidents of Major American Jewish Organizations-----	<b>23</b>
National Association of Manufacturers, L. J. Lamm, director, Clark Equipment Co.-----	<b>18</b>
Riposanu, Pamfil A., on behalf of the Association of the Romanian Catholics of America-----	<b>82</b>
Romanian Jewish Federation of America, Dr. Charles H. Kremer, president, accompanied by: Dean Milhovan, Romanian-American Christian Committee; and Constantine Antonovici-----	<b>87</b>
Romanian-U.S. Economic Council, Milton F. Rosenthal, president, Englehard Minerals and Chemicals Corp.-----	<b>52</b>
Rosenthal, Milton F., president, Englehard Minerals and Chemicals Corp., on behalf of Romanian-U.S. Economic Council-----	<b>52</b>
Szaz, Dr. Z. Michael, American Hungarian Federation, accompanied by: Laszlo L. Eszenyir, chairman, foreign-relations committee of the American Romanian delegation; and Bishop Zoltan Beky, president, American Hungarian Federation-----	<b>56</b>
WJS, Inc., William A. Crawford, director, foreign relations-----	<b>76</b>

# IV

## COMMUNICATIONS

Page

ACLI International, Inc., E. S. Finley, senior vice president.....	150
Arizona State University, Marvin R. Jackson, associate professor of economics.....	136
Atalanta Corp., submitted by Max N. Berry, counsel.....	194
Aussenberg, Nash, vice president, Great Eastern Lumber Co., Inc.....	139
Barsan, Eugen.....	149
Berry, Max N., on behalf of Atalanta Corp.....	194
Blumberg, David M., B'Nai B'Rith.....	142
B'Nai B'Rith, David M. Blumberg.....	142
Boeing Co., M. T. Stamper, president.....	191
Brada, Josef C., associate professor of economics and international business, New York University.....	144
Buhac, George.....	149
Camer, Izu M.....	150
Carja, Dr. Ion, secretary general, Romanian National Council.....	181
Carnocanu, Florin.....	155
Chis, Nicolae.....	159
Christian Mission to the Communist World.....	182
Connor, David N., Connor Forest Industries.....	183
Connor Forest Industries, David N. Connor.....	183
Control Data Corp., Hugh P. Donaghue, assistant to the chief executive officer.....	147
Crainic, Zaharia.....	155
Crisan, George, legal adviser, on behalf of the Rumanian Baptist Association of the United States and Canada.....	140
Deac, Paul M., executive vice president, National Confederation of American Ethnic Groups.....	146
De Laval Turbine, Inc., Donald B. Reed, general manager, International Division.....	137
Dent, Hon. Frederick B., Special Representative for Trade Negotiations.....	118
Donaghue, Hugh P., assistant to the chief executive officer, Control Data Corp.....	147
Dumitrascu, Vasile.....	157
Evans, Lloyd G., vice president, sales, Island Creek Coal Co.....	184
Finley, E. S., senior vice president, ACLI International, Inc.....	150
Garrett, Edward J., president, Instrument Systems Corp.....	185
Gatalantu, Stephanie.....	152
Georgescu, Ioan.....	153
Georgescu, Mihai.....	153
Georgescu, Rodica.....	153
Georgescu, Theodor.....	153
Gherghe, George.....	155
Goga, Ivan.....	156
Graditor, Sherry.....	160
Great Eastern Lumber Co., Inc., Nash Aussenberg, vice president.....	139
Guttman, Jacques.....	154
Hartman, Hon. Arthur A., Assistant Secretary of State for European Affairs.....	121
Instrument Systems Corp., Edward J. Garrett, president.....	185
Island Creek Coal Co., Lloyd G. Evans, vice president, sales.....	184
Jackson, Marvin R., associate professor of economics, Arizona State University.....	136
Lafayette College, Earl A. Pope, acting head, department of religion.....	170
League of Free Romanians, Barbu Niculescu, secretary general.....	163
Liberty Lobby, E. Stanley Rittenhouse, legislative aide.....	175
Logan, John O., president and chairman of the board, Universal Oil Products Co.....	186
Lungu, Alexandru Ionescu.....	160
Marin, Dumitru D., M.D., president of the Parish Council of the St. Dumitru Romanian Orthodox Church of New York City.....	161
National Confederation of American Ethnic Groups, Paul M. Deac, executive vice president.....	146
National Foreign Trade Council, Inc., Robert M. Norris, president.....	147



	Page
Nenu, Alexandru.....	156
New York University, Josef C. Brada, associate professor of economics and international business.....	144
Niculescu, Barbu, secretary general of the League of Free Romanians.....	163
Norris, Robert M., president, National Foreign Trade Council, Inc.....	147
Olahi, Ioan.....	159
Pandele, Cornelia.....	157
Parish Council of the St. Dumitru Romanian Orthodox Church of New York City, Dumitru D. Marin, M.D., president.....	161
Patyna, Thaddeus J.....	169
Pindaru, Ion.....	158
Popa, Aurelia.....	169
Pope, Earl A., acting head, Department of Religion, Lafayette College....	170
Popescu, John W., president, Union & League.....	141
Posteuca, Una.....	173
Posteuca, Zamfira.....	173
Raymondo, George.....	153
Reed, Donald B., general manager, International Division, De Laval Turbine, Inc.....	137
Rehm, John B., attorney, on behalf of Busby Rivkin Sherman Levy and Rehm.....	174
Rittenhouse, E. Stanley, legislative aide, Liberty Lobby.....	175
Romanian National Council, Dr. Ion Carja, secretary general, and Nicolae Carja, vice president.....	181
Romanian Orthodox Episcopate of America, Valerian D. Trifa, Bishop of the Romanian Orthodox Episcopate of America.....	143
Rumanian Baptist Association of the United States and Canada, George Crisan, legal adviser.....	140
Serko, David, attorney, on behalf of Serko & Simon.....	188
Sopicki, Cheryl.....	160
Sotirca, George.....	158
Spuza, Felicia, M.D.....	178
Stamper, M. T., president, Boeing Co.....	191
Streza, Charles, president, "Vulturul"—Roumanian Beneficial and Cultural Society.....	193
Teodorescu, Dina.....	157
Trien, Idiko.....	178
Trifa, Valerian D., Bishop of the Romanian Orthodox Episcopate of America.....	143
Tudoran, Dr. Stela, M.D.....	180
Union & League, R.S.A., Inc., John W. Popescu, president, and Sylvia V. Filip, secretary.....	141
Universal Oil Products Co., John O. Logan, president and chairman of the board.....	186
Useriu, Rev. Anchidim.....	193
Velea, Dumitru E.....	159
Viread, Doina.....	180
"Vulturul"—Roumanian Beneficial and Cultural Society, Charles Streza, president and Andrew Streza, secretary.....	193
Wolf, Paula M.....	153

## APPENDIX

Communications received by the committee expressing an interest in these hearings.....	136
--	-----

## ROMANIAN TRADE AGREEMENT

FRIDAY, JUNE 6, 1975

U.S. SENATE,  
COMMITTEE ON FINANCE,  
*Washington, D.C.*

The committee met, pursuant to notice, at 10:05 a.m., in room 2221, Dirksen Senate Office Building, Senator Russell B. Long (chairman of the committee) presiding.

Present: Senators Long, Talmadge, Ribicoff, Byrd, Jr., of Virginia, Curtis, and Dole.

The CHAIRMAN. This hearing will come to order.

The President submitted the United States-Romanian Trade Agreement on April 25 and the Congress has 60 legislative days to consider this agreement. At the request of the administration, their participation in this hearing has been postponed. Today we will receive testimony from groups and individuals who have an interest in United States-Romanian trade.

[The committee press release announcing these hearing follows:]

P R E S S   R E L E A S E

FOR IMMEDIATE RELEASE  
May 7, 1975

COMMITTEE ON FINANCE  
UNITED STATES SENATE  
1227 Dirksen Senate Office Bldg.

FINANCE COMMITTEE SETS HEARINGS ON  
ROMANIAN TRADE AGREEMENT

The Honorable Russell B. Long (D., La.), Chairman of the Senate Committee on Finance, announced today that the Committee would hold hearings on Senate Concurrent Resolution 35, a resolution approving a bilateral commercial agreement between the United States and the Socialist Republic of Romania.

The hearings will begin on June 3, 1975\* at 10:00 a.m. in Room 2221, Dirksen Senate Office Building. The leadoff witnesses will be the Honorable Frederick B. Dent, Special Trade Representative; the Honorable John E. Tabor, Under Secretary of Commerce; and the Honorable Thomas D. Enders, Assistant Secretary of State for Economic and Business Affairs.

Senator Long pointed out that under the Trade Act of 1974, nondiscriminatory or most-favored-nation tariff treatment may be extended to a country not now enjoying this treatment only if:

1. The country enters into a bilateral trade agreement with the United States approved by both Houses of Congress;
2. The President determines that the trade agreement will promote the purposes of the Trade Act and is in the national interest, and he issues a proclamation extending nondiscriminatory tariff treatment to the country; and
3. The country allows free emigration (though the President may waive this requirement if he determines that a waiver will promote freer emigration and if he has received assurances that the emigration practices of the country will lead substantially to free emigration).

\*Public witnesses on this Resolution were heard on June 6, 1975. The Committee will continue hearings on July 8, 1975 when the Administration witnesses will testify.

Chairman Long noted that on April 25, 1975, the President transmitted to the Senate (1) the text of the Agreement on Trade Relations between the United States of America and the Socialist Republic of Romania which was signed on April 2, 1975 (and which cannot become effective before approval by both Houses of Congress); (2) a proclamation extending non-discriminatory tariff treatment to Romania based on his determination that the trade agreement will promote the purposes of the 1974 Trade Act and is in the national interest; and (3) a waiver of the free emigration requirement in the case of Romania based on his determination that the waiver will promote freer emigration and based on assurances he has received that the emigration practices of Romania will lead substantially to free emigration.

On April 25, 1975, Senate Concurrent Resolution 35 was introduced; this resolution would approve the trade agreement with Romania. Under the Trade Act of 1974, the Senate Finance Committee has 45 days (counting only days when the Senate is in session) in which to act on the resolution. Once the Finance Committee has filed its report on the resolution, the Senate will have an additional 15 days during which it is in session to act on the resolution.

Requests to Testify.--Senator Long advised that witnesses desiring to testify during this hearing must make their request to testify to Michael Stern, Staff Director, Committee on Finance, 2227 Dirksen Senate Office Building, Washington, D. C. 20510, not later than Wednesday, May 21, 1975. Witnesses will be notified as soon as possible after this cutoff date as to when they are scheduled to appear. Once the witness has been advised of the date of his appearance, it will not be possible for this date to be changed. If for some reason the witness is unable to appear on the date scheduled, he may file a written statement for the record of the hearing in lieu of a personal appearance.

Consolidated Testimony.--Senator Long also stated that the Committee urges all witnesses who have a common position or with the same general interest to consolidate their testimony and designate a single spokesman to present their common viewpoint orally to the

- 3 -

Committee. This procedure will enable the Committee to receive a wider expression of views than it might otherwise obtain. Senator Long urged very strongly that all witnesses exert a maximum effort, taking into account the limited advance notice, to consolidate and coordinate their statements.

Legislative Reorganization Act.--In this respect, he observed that the Legislative Reorganization Act of 1946, as amended, requires all witnesses appearing before the Committees of Congress "to file in advance written statements of their proposed testimony, and to limit their oral presentations to brief summaries of their argument."

Senator Long stated that in light of this statute and in view of the large number of witnesses who desire to appear before the Committee in the limited time available for the hearing, all witnesses who are scheduled to testify must comply with the following rules:

- (1) A copy of the statement must be filed by the close of business on Monday, June 2.
- (2) All witnesses must include with their written statement a summary of the principal points included in the statement.
- (3) The written statements must be typed on letter-size paper (not legal size) and at least 50 copies must be submitted before the beginning of the hearing.
- (4) Witnesses are not to read their written statements to the Committee, but are to confine their ten-minute oral presentations to a summary of the points included in the statement.
- (5) Not more than ten minutes will be allowed for the oral summary. Witnesses who fail to comply with these rules will forfeit their privilege to testify.

Written Statements.--Witnesses who are not scheduled for oral presentation, and others who desire to present their views to the Committee, are urged to prepare a written statement for submission and inclusion in the printed record of the hearings. These written statements should be submitted to Michael Stern, Staff Director, Committee on Finance, Room 2227 Dirksen Senate Office Building not later than June 4, 1975.

The CHAIRMAN. I would like to remind the witnesses to confine their oral presentation to 10 minutes, and I will instruct the staff to use our traditional egg timer, which has a bell that will ring at the end of 10 minutes.

The complete statements of all witnesses will be printed in full in the record.

Senator Packwood is necessarily absent because he is testifying before the Senate Commerce Committee on the subject of the Emergency Marine Fisheries Act.

Before we hear the first witness, I believe Senator Curtis would like to make a statement.

Senator CURTIS. Mr. Chairman, I note that the largest categories of commodities exported to Romania from the United States are food and live animals. In addition, our exports to Romania have grown from \$16.8 million in 1967 to \$277 million in 1974. It is remarkable growth when we consider that U.S. tariffs discriminate against certain Romanian goods.

The drastic increase in the price of imported oil makes it imperative that the United States expand its international trade. Currently, agriculture is our Nation's leading earner of foreign exchange, earning well over a fifth of our country's foreign exchange in 1974. If we have anything close to normal weather conditions, there is little doubt the American agriculture will have the capacity to substantially increase its output.

Romania is a potential market for a portion of our increased agricultural production if that nation is allowed to increase its reserves of U.S. currency.

I look forward to the opportunity of carefully examining the agreement on trade relations with the United States and Romania to determine if it is in our best interest to develop closer economic ties with Romania at this time.

Mr. Chairman, in a few moments I will have to preside over a Republican conference. I will not be here all of the time but I will be following the record very closely.

That is all, Mr. Chairman.

The CHAIRMAN. Senator Ribicoff, do you desire to make a statement?

Mr. RIBICOFF. No; no statement, Mr. Chairman.

The CHAIRMAN. Then we will call Mr. Ray Denison as our first witness.

**STATEMENT OF RAY DENISON, LEGISLATIVE REPRESENTATIVE,  
AMERICAN FEDERATION OF LABOR-CONGRESS OF INDUSTRIAL  
ORGANIZATIONS, ACCOMPANIED BY ELIZABETH JAGER, TRADE  
ECONOMIST, AFL-CIO**

Mr. DENISON. Thank you, Mr. Chairman.

I am accompanied this morning by Elizabeth Jager, trade economist with the AFL-CIO.

Mindful of your egg timer, I will go through our statement.

The CHAIRMAN. I will assure you that every word of your statement will be considered. There are those on this committee that agree with your views, at least with your philosophy about the matter, and we will certainly consider your every word.

Mr. DENISON. Thank you, Mr. Chairman.

The AFL-CIO opposes Senate Concurrent Resolution 35, a trade agreement extending United States "most-favored-nation" low-duty treatment to imported products from Romania. This one-way trade agreement makes a mockery of fair international trade. It assaults all concepts of decent labor standards and human freedom.

This agreement can only result in more job losses to U.S. workers and more layoffs and production cutbacks. U.S. labor standards and the U.S. standard of living will be further undermined by the export of jobs to the state-controlled factories and labor force in Romania.

This agreement is being pressed upon the U.S. economy at a time that our Nation has an unemployment rate higher than most of the industrial nations of the world and far higher than the jobless rate in Romania.

The jobless rate in the United States in April was 8.9 percent with over 8.2 million Americans without jobs. Administration officials expect it to exceed 9 percent this year. Meanwhile, in 1974 when the United States had a 5.6 unemployment rate, Japan had 1.4 percent; West Germany had 2.2 percent; and England had 3 percent. Romanian unemployment is not published in U.S. Government reports.

Further, this treaty comes at a time that Romania has been enjoying fast-paced industrial growth, second only to Japan. In 1973, Romania's annual growth was 9 percent while the U.S. growth was 6 percent. In 1974 the Romanian growth continued while U.S. real growth declined 2.2 percent. For the first quarter of 1975 U.S. real output dropped over 10 percent. With this picture of massive industrial decline, how can we take on still another addition to the massive onslaught of our markets, our productive capacity and our jobs? Yet that is exactly what will be the product of this treaty.

Let's look at Romania specifically. By 1974 imports from Romania reached 10 times the size of 1970 imports, rising from about \$13 million to \$130 million. During this period U.S. exports rose from \$66 million in 1970 to about \$277 million in 1974. But let's examine the kinds of exports and imports, their job-related values, their industrial impact, and their clue to what lies ahead under MFN.

Last year, despite a decline in U.S. output, imports of Romanian produced machinery and transportation equipment rose. Imports of tractors, nonelectric machinery, furniture, iron and steel products, shoes, meat and meat preparations, chemicals—all showed higher levels in 1974 than in 1973. Sheet glass imports and clothing items also rose rapidly in the early 1970s. Imports of items such as ball bearings, fuel injection pumps, battery-charging generators, switchboard panels and automatic switches and relays began to come into the United States. The amount of trade is still very small in some items. But the rise in imports has often been sharp after new starts are encouraged abroad, injuring jobs in industries where U.S. production has been impacted by imports from country after country.

All of these imports have been entering the United States at the Smoot-Hawley tariff rates. These rates run as high as 90 percent of the ad valorem price of the product. Now these tariffs will be slashed—and the presently engulfing stream of manufactured goods from all countries can rise to a torrent, sweeping away more jobs, factories and community payrolls in the United States. Consider these reductions



and their impact on U.S. production: Television parts, from 60 percent to 15 percent duty; some motors from 90 percent to 25 percent duty; tires from 10 percent to 4 percent and so forth. —

Romania is but one country. By itself it would not overwhelm the United States. But in the context of the massive import penetration the United States already suffers, it adds to crucial job losses.

We in the AFL-CIO declare that on the basis of the massive inroads into our industrial production, hundreds of thousands of jobs have been lost from trade-related reasons. No one really knows how many. In 1971 the AFL-CIO estimated a loss of more than 1 million job opportunities and the job-loss impact on our society has been many times more severe since that date.

We concede that producing technology for export creates some jobs. But the insistence by the multinational firms that they create jobs by locating abroad is invalid, because they do not factor the eventual net job loss. Nor do they admit that exports will continue whether or not most-favored-nation is granted.

Here is one example of what we see happening: General Tire has a joint venture with the Romanian Government, where the U.S. multinational firm designed and supervised construction and supervision of a \$75 million modern manufacturing plant to make radial tires at Floresti, Romania. U.S. jobs were created in the production of this facility by the use of U.S. technology and equipment. But the United States guaranteed the exported technology to make Romania competitive in world export markets—against us. We helped to improve Romanian productivity for the benefit of General Tire, Manufacturers Trust and the Romanian Government. Some tires were imported into the United States. The costs are being paid by the U.S. taxpayers in 6 percent Eximbank money, in tax credits charged against Federal taxes, and in lost jobs of American workers whose productivity has been exported to a Communist state. How does this job creation program help the United States or U.S. jobless?

What have we been exporting to Romania? What will we export after the treaty? What will we get out of the treaty?

U.S. exports to Romania have been farm products, raw materials and high technology equipment to support Romania's 5-year plan. We do not send Romania any significant amount of consumer goods, durables, softgoods—all those products that one customarily thinks of in terms of trade and in terms of sustained, repeat exports that continue to provide jobs.

In this trade posture, it is conceivable that in the short run the United States could benefit in terms of total reported dollar value of exports as the Romanian-United States multinational firms combine to tool up and expand for greater thrusts into the third markets and into the United States. But very shortly, the U.S. worker and U.S. Nation will be the loser.

Attached to this testimony is a table showing U.S. job losses in 1 year, April 1974 to April 1975 in 12 domestic industries. These are the industries where Romanian imports have been felt heavily in the future. These are not industries that are growing and can easily absorb massive penetration. There is only one conclusion: every one of these industries is already badly hurt; the treaty can only bring more damage.

To illustrate how little the U.S. negotiators of this agreement care about import impact on the United States, on March 12, 1975, the U.S. Treasury found that Romanian-made welt work shoes were being sold at less than fair value—dumped on the U.S. market. Under U.S. law, this must now be considered by the International Trade Commission to determine, not whether the unfair trade practice of dumping has taken place, but whether the U.S. industry is injured. The Commission must report by June 13 to the President.

But on April 24, 1975, the President asked the U.S. Congress to approve this agreement granting special most-favored-nation treatment to the very government that is dumping shoes in the United States.

For the American worker already plagued by rising joblessness, the unfair competition in shoes has gone even further: In 1974 some imports of shoes came into the United States from Romania under tariff item 807, meaning that the U.S. manufacturers sent parts from the United States to Romania where state-controlled labor assembled the parts and returned them here paying only the duty on the Romanian labor. This is straight labor competition with Communist-controlled labor—and a special privilege into the U.S. market for the U.S. firm.

For the American taxpayer, the agreement's price is too high. The technology which is sold abroad is often subsidized by the taxpayer, and the result of the present proposal to grant most-favored-nation treatment will accelerate the transfer. For technology is what Romania wants the U.S. firms to supply. Multinational firms and banks have already made agreements to transfer technology, helped by the U.S. Government at taxpayer's expense by the U.S. tax system, and by Government-backed credits.

It is clear that the Romanian negotiators pay bargain basement prices for U.S. technology often paid for at taxpayer expense, and according to Electronic News, a Princeton, N.J., export consulting expert said that U.S. firms too often did not include the full research and development costs in any technology sold overseas.

I might just conclude by saying that the AFL-CIO deplores the fact that the Trade Act's title IV requirement that human freedom—the right of emigration—be part of all bilateral pacts with Communist countries has not been observed. The President has merely declared that Romania intends to grant freedom of emigration. There is no agreement in S. Con. Res. 35 that provides for that. This agreement makes it a one-way street for U.S. production and revenue for the benefit of multinational firms, a Communist country with state-controlled labor. We urge this committee to reject this agreement.

[The prepared statement of Mr. Denison follows:]

#### TESTIMONY OF RAY DENISON, LEGISLATIVE REPRESENTATIVE, AFL-CIO

##### SUMMARY

The AFL-CIO opposes S. Con. Res. 35, a trade agreement extending "most-favored-nation" treatment to imported products from Romania. We urge the Finance Committee to recommend rejection of this agreement, because it is a mockery of fair international trade and an assault on human freedom.

I. U.S. job losses will be accelerated, particularly in industries already suffering massive layoffs and production cutbacks, and American labor standards will be undermined. Meanwhile, even proponents of the agreement do not claim it gives the U.S. commercial advantage.

A. Imports from Romania increased, even in 1974, in machinery and transportation equipment. Imports of shoes, clothing, glass, electronics and other industries struggling to survive the depression have already cost jobs, and further job losses cannot be tolerated.

B. Exports of U.S. products to Romania are what Romania's development plans require—food, raw materials, and technology. Romania imports technology from U.S. firms under contract to export from Romania, thus jobs from U.S. exports and jobs at home will be curtailed.

C. U.S. labor standards are threatened further by unfair competition from state-controlled labor in Romania, where 50% lower wage costs are a major attraction for U.S. companies.

II. "Most-favored-nation" treatment for Romania puts U.S. production and trade at a disadvantage because Romania's system of trade is totally different,

A. Romania has no tariffs. The MFN agreement would reduce U.S. tariffs on motor vehicles from 10% to 3%, on ball bearings from 35% to 6%, on sheet glass by 59%, on shoes from 20% to 5%, on clothing from 90% to 42%. (These are examples of items in each category).

B. Romania does not have price competition from imports; U.S. imports are encouraged to substitute for U.S. production at lower prices. Romania sets values on imported products at the Romania domestic price. Values on exported products are set by the Romanian government and its multinational firm partners producing there. U.S. imports are valued at the "Romanian" price.

C. Romania wants and encourages transfers of technology to Romania, not vice versa; U.S. firms "compete" with one another and other Western firms to meet Romania's terms and locate or license production.

III. The Trade Agreement Adds to Unfair Competition.

A. "Safeguards in the agreement" supposedly allow U.S. to halt imports when markets are disrupted or when the U.S. asks to halt them. This provision is little help because U.S. markets are already disrupted and depressed. Yet the President chooses not to help the U.S. but to make its markets even weaker.

B. Romania has already dumped work shoes in the U.S. and an International Trade Commission report is pending.

IV. Multinational firms and banks will accelerate technology transfers for their private profit and Romania's benefit—often at U.S. public expense.

A. ITT, Control Data, General Tire, Singer and other multinationals already license and/or have joint venture production arrangements in Romania.

B. Romania and other East Bloc nations pay "bargain basement" prices for U.S. technology.

C. U.S. government agencies have already subsidized these agreements between private companies and Romania—Eximbank, OPIC, Commerce Department and State Department.

D. Romania has nothing we need, except oil, and her increased shipments of oil reached only \$90 million in 1974. That is not enough to help the U.S.

V. Romania is part of Comecon: Thus it supplies technology and other goods to the Soviet Union and her Comecon trading partners. Therefore, this bill subsidizes communist states.

A. More than 50% of Romanian exports have gone to Poland and other satellites and Soviet Union; Soviet Union has cut off Romanian supplies when it gets too dependent.

B. Romanians make no secret of this obligation; whether they like it or not, it is a fact.

VI. The Trade Act of 1974 Title IV has been waived by the President as far as emigration provisions are concerned.

A. On April 24, 1975, the President reported to Congress that he has used his authority to waive emigration provisions required by Title IV as the Trade Act allows.

B. The human freedom question is thus a decision by the President of the U.S., not by Romania, as to emigration; the human freedom question is a violation of labor rights as to labor standards.

#### STATEMENT

The AFL-CIO opposes S. Con. Res. 35, a trade agreement extending U.S. "most-favored-nation" low-duty treatment to imported products from Romania. This one-way trade agreement makes a mockery of fair international trade. It assaults all concepts of decent labor standards and human freedom.

This agreement can only result in more job losses to U.S. workers and more layoffs and production cutbacks. U.S. labor standards and the U.S. standard of living will be further undermined by the export of jobs to the state-controlled factories and labor force in Romania.

This agreement is being pressed upon the U.S. economy at a time that our nation has an unemployment rate higher than most of the industrial nations of the world and far higher than the jobless rate in Romania. It is being pushed upon the United States at a time that our nation is facing massive deficits to finance job-creating programs, unemployment benefits, food stamps for the poor, health benefits for the jobless and other depression-era programs.

The jobless rate in the United States in April was 8.9%, with over 8.2 million Americans without jobs. Administration officials expect it to exceed 9% this year. Meanwhile in 1974 when the U.S. had a 5.6% unemployment rate, Japan had 1.4%; West Germany had 2.2%; England had 3%. Romania unemployment was not published in U.S. government reports.

Further, this treaty comes at a time that Romania has been enjoying fast-paced industrial growth, second only to Japan. In 1973, Romania's annual growth was 9% while the U.S. growth was 6%. In 1974 the Romanian growth continued while U.S. real growth declined 2.2%. For the first quarter of 1975 U.S. real output dropped over 10%. With this picture of massive industrial decline, how can we take on still another addition to the massive onslaught of our markets, our productive capacity and our jobs? Yet that is exactly what will be the product of this treaty.

No doubt witnesses before this committee will insist that the treaty will create jobs. If that were the case, the AFI-CIO would not raise the job loss issue. But we have always heard from the multinational firms, the importers, the trade associations and others who have a private profit motive that if their policies—and not necessarily that of this nation—over the years are adopted, more jobs will result. They have made these same assertions for every piece of trade-related legislation, but our industrial base continues to decline, particularly in the very sectors of their interest.

Let's look at Romania specifically. By 1974 imports from Romania reached ten times the size of 1970 imports, rising from about \$13 million to \$130 million. During this period U.S. exports rose from \$66 million in 1970 to about \$277 million in 1974. But let's examine the kinds of exports and imports, their job-related values, their industrial impact, and their clue to what lies ahead under MFN.

Last year, despite a decline in U.S. output, imports of Romanian produced machinery and transportation equipment rose. Imports of tractors, non-electric machinery, furniture, iron and steel products, shoes, meat and meat preparations, chemicals—all showed higher levels in 1974 than in 1973. Sheet glass imports and clothing items also rose rapidly in the early 1970's. Imports of items such as ball bearings, fuel injection pumps, battery-charging generators, switchboard panels and automatic switches and relays began to come into the U.S. The amount of trade is still very small in some items. But the rise in imports has often been sharp after new starts are encouraged abroad, injuring jobs in industries where U.S. production has been impacted by imports from country after country. Now Romania will be given a chance to expand its partnership with the multinational firms to send more products here at the further cost of U.S. jobs and production.

All of these imports have been entering the U.S. at the Smoot-Hawley tariff rates. These rates run as high as 90 percent of the ad valorem price of the product. Now these tariffs will be slashed—and the presently engulfing stream of manufactured goods from all countries can rise to a torrent, sweeping away more jobs, factories and community payrolls in the U.S. Consider these reductions and their impact on U.S. production: Television parts, from 60% to 15% duty; some motors from 90% to 25% duty; tires from 10% to 4%. Sheet glass will be cut by 59%; shoes will be cut from 20% to 5%; clothing will be cut from 45% to 21%. The list is endless in terms of heavy-tariff cuts in those areas where U.S. already has countless stricken industries. (See Appendix III.)

Romania is but one country. By itself it would not overwhelm the U.S. But in the context of the massive import penetration the U.S. already suffers, it adds to crucial job losses. This import penetration includes, for example, the following: the Mexican Border program—a tariff-reduction program of modest proportions—which has cost the U.S. hundreds of thousands of jobs and hurt many industries here. In 1967 this program accounted for only \$20 million worth of U.S. imports.

In 1974, \$1 billion in imports were reported. Other import problem areas include Taiwan, Singapore, Hong Kong, South Korea in the Far East; Haiti, San Salvador and others in Latin America; Japan with its massive export programs; the Common Market with its exclusionary policies. All of these together batter the United States industrial base and our jobs.

As a result of current trade policies; as a result of U.S. failure to act in our national economic interest; as a result of multinational firms abandoning production here for expansion abroad, as a result of perpetuation of the myth of "free trade" versus "protectionism," the U.S. is in major trouble and this treaty can only make our economic health worse.

We in the AFL-CIO declare that on the basis of the massive inroads into our industrial production, hundreds of thousands of jobs have been lost from trade-related reasons. No one really knows how many. In 1971 the AFL-CIO estimated a loss of more than 1,000,000 job opportunities and the job-loss impact on our society has been many times more severe since that date.

We concede that producing technology for export creates some jobs. But the insistence by the multinational firms that they create jobs by locating abroad is invalid, because they do not factor the eventual net job loss. Nor do they admit that exports will continue whether or not most-favored-nation is granted.

Here is one example: General Tire has a joint venture with the Romanian government, where the U.S. multinational firm designed and supervised construction and supervision of a \$75 million modern manufacturing plant to make radial tires at Floresti, Romania. U.S. jobs were created in the production of this facility by the use of U.S. technology and equipment. But the U.S. guaranteed the exported technology to make Romania competitive in world export markets—against us. We helped to improve Romania productivity for the benefit of General Tire, Manufacturers Trust and the Romanian government. Some tires were imported into the U.S. The costs are being paid by the U.S. taxpayers in 6% Eximbank money, in tax credits charged against federal taxes, and in lost jobs of American workers whose "productivity" has been exported to a communist state. (A list of various Eximbank loans involving Romania is attached.) How does this "job creation" program help the U.S. or U.S. jobless?

What have we been exporting to Romania? What will we export after the treaty? What will we get out of the treaty?

U.S. exports to Romania have been farm products, raw materials and high technology equipment to support Romania's five year plan. Corn was the leading U.S. export in 1974. The U.S. has also exported coal, cotton, raw textile fibers and waste, pulps and waste paper, cereals and animal feeds and oil seeds, plus the newest technology which Romania needs to further develop her already high industrial capability. In other words, we send Romania agricultural products, raw materials and capital goods to develop production processes. We do not send Romania any significant amount of consumer goods, durables, softgoods—all those products that one customarily thinks of in terms of trade and in terms of sustained, repeat exports that continue to provide jobs.

The likelihood is that this U.S. export theme will continue, with more intensification of our technology exports. With lower tariffs in the U.S., with more of the U.S. market available to assault, the numbers of items and the variety of manufactured goods will undoubtedly increase substantially.

In this trade posture, it is conceivable that in the short-run the U.S. could benefit in terms of total reported dollar value of exports as the Romanian-U.S. multinational firms combine to tool up and expand for greater thrusts into the third markets and into the U.S. But very shortly, the U.S. worker and U.S. nation will be the loser.

Attached to this testimony is a table showing U.S. job losses in one year, April 1974-April 1975 in twelve domestic industries. These are the industries where Romanian imports have been felt and where they will be felt heavily in the future. These are not industries that are growing and can easily absorb massive penetration. There is only one conclusion: every one of these industries is already badly hurt; the treaty can only bring more damage.

Why aren't U.S. companies aroused over this assault on U.S. markets? Because the giant U.S. corporations—those that determine the kind of a nation we live in are themselves multinational in nature.

Corporations that control most of U.S. production are multinational firms. From their standpoint, Romania offers a multitude of attractions: a conduit to

Eastern European markets; the corporate benefits of joint ventures in terms of plant facilities, tax breaks, local markets and low-cost, state-controlled labor. The trans-ideological corporation is the result.

"The dependable, low-cost and controlled labor force of Romania with its well-trained workers eager to learn advanced Western technology and techniques is especially appealing to Western firms interest in more labor intensive industries. Internal political and economic risks are minimal," according to an article by AID employee, Jay Burgess, in the *Georgetown Law and Policy in International Business* in 1974. This assessment follows the April 7, 1973 *Business Week* report on Control Data's joint venture with the government of Romania: "Low wage costs, averaging 50% less than in the U.S. are one of the venture's chief advantages," according to *Business Week*. The Georgetown law journal article also explains that "once hired and trained," it is very difficult to lay off Romanian workers, because of the Romanian laws. Thus, Romania and U.S.-based multinationals will carry out what *Business Week* in March 17, 1975 reported: "Many multinationals prefer to export from their foreign subsidiaries because it is easier to lay off workers in the U.S. than abroad."

This prospect should concern every American, including industrial producers in the U.S. Five years ago Romania's leading exports were products where American production has been hurt in the 1970's—electric motors, power transformers, tractors, trucks, carpets, shoes, clothing, furniture, etc. (See attached table) S. Con. Res. 35 will give all those products a one-way street into the U.S. and compete with U.S. exports putting U.S. production and trade at a double disadvantage.

Since Romania's economic and trade system is totally different from the U.S. system, the effects will harm the U.S. economy for the benefit of the communist-state-planned economic development of Romania and the other communist countries. A certain number of "U.S." companies will benefit, of course.

A further irony: Romania joined the GATT in 1971, in the hope of getting preferences into Western markets. Romania was admitted to membership in the International Monetary Fund and The World Bank, thus qualifying it as a developing nation for low-interest bank loans, according to *Atlantic Community News*, December 1972. Despite Romania's industrial status, this agreement promises Romania the rights of a developing country.

Romania does not have price competition from imports. "The Romanian sale price of imported goods, irrespective of origin, is generally set at the price level of similar or substitute domestic goods, with difference in quality being taken into account," according to the Commerce Department. This could be called a "Romanian selling price." However, U.S. imports from Romania will have prices set to suit the communist state and the multinational firm's advantage—to undercut the U.S. market and productive system with unfair price competition.

Reports from the U.S. government and business spokesman have explained how the export of our technology can be adverse to the U.S., as U.S. firms vie with one another and other Western firms to sell technology, while the communist East Bloc countries drive down the price: On February 4, 1974, *Electronic News* reported that Richard de Lauer, executive vice president of TRW, Inc., told a meeting of the American Institute of Aeronautics and Astronautics that the U.S. firms "are competing separately and each firm must do its own market research on the secretive Communist customers. We find East Bloc negotiators have incredibly deep intelligence on U.S. companies—even to their technical problems, but American firms have very little knowledge of the customer's market." In fact, *Electronic News* said that "astute Communist Bloc nations—are learning how to play one U.S. firm against one another to auction off potential orders for American technology."

"For Romania," according to *Business Week* of December 1, 1973, "manufacturing partnership with U.S. companies are a means of getting the capital and technology needed to keep up the country's fast-paced 9% annual growth, which is second only to Japan's."

In return for all of this, what does the U.S. receive? We have our "safeguards" in the agreement. That is, the U.S. may halt imports when the U.S. requests. Anyone who has watched the Administration or Congress when they have considered taking even modest protective steps in trade-related areas and have heard the howls about "retaliation" know how unlikely this is. Nowhere is there a claim of U.S. economic gain in this agreement. The only claim is that it will be of

"psychological" benefit. But we ask what is the psychological or economic betterment of more joblessness.

To illustrate how little the U.S. negotiators of this agreement care about import impact on the U.S., on March 12, 1975, the U.S. Treasury found that Romanian-made welt work shoes were being sold at less than fair value—dumped on the U.S. market. Under U.S. law, this must now be considered by the International Trade Commission to determine, not whether the unfair trade practice of dumping has taken place, but whether the U.S. industry is injured. The Commission must report by June 13 to the President.

But on April 24, 1975, the President asked the U.S. Congress to approve this agreement granting special most-favored-nation treatment to the very government that is dumping shoes in the U.S.

Welt work shoe imports from Romania increased 25.8% in 1974 over 1973—from 1,094,000 pairs to 1,377,000 pairs—reaching 49.5% of total imports of the item. Thus the unfair dumping has had a considerable advantage to Romania and a similar disadvantage of unfair competition for the U.S.

For the American worker—already plagued by rising joblessness, the unfair competition in shoes has gone even further: In 1974, some imports of shoes came into the U.S. from Romania under Tariff Item 807, meaning that the U.S. manufacturers sent parts from the U.S. to Romania where state-controlled labor assembled the parts and returned them here paying only the duty on the Romanian labor. This is straight labor competition with communist "controlled" labor—and a special privilege into the U.S. market for the "U.S." firm.

For the American taxpayer, the agreement's price is too high. The technology which is sold abroad is often subsidized by the taxpayer, and the result of the present proposal to grant most-favored-nation treatment will accelerate the transfer. For technology is what Romania wants the U.S. firms to supply. Multinational firms and banks have already made agreements to transfer technology, helped by the U.S. Government at taxpayer's expense, by the U.S. tax system, and by government-backed credits.

ITT, Control Data, General Tire, Singer and other multinational firms already have licenses and/or joint venture operations in Romania. On January 9, 1974, the *Journal of Commerce* reported that ITT had signed an agreement to establish "cooperation in five fields" with the Romanian government—telecommunications, electronic and electromechanical components, industrial products, consumer products and publishing. The article reported that "telephone switching equipment has been manufactured in Romania for some years under license from ITT." What the report did not state is that the fees received by Western firms for giving technical assistance or for training Romanian personnel and other earnings in Romania are subject to Romanian withholding taxes. This was reported Business International. These taxes, of course, are credited against the U.S. federal tax paid by multinationals to the U.S. Government, under the foreign tax credit provisions of the U.S. tax law.

As U.S. multinationals reap tax benefits, it is clear that the Romanian negotiators pay "bargain basement" prices for U.S. technology, often paid for at taxpayer expense. According to *Electronic News* of February 4, 1974, a Princeton, New Jersey, export consulting expert, Klaus Heiss said that U.S. firms "too often did not include the full research and development costs in any technology sold overseas." "American companies price their technology to include only the successful products, but never the costs of development failures involved in making a working product."

Tax breaks are a welcomed by-product. But profits come first. According to *Business Week*, April 7, 1973, Control Data Chairman William D. Norris said his company's joint venture with Romania would not only provide them with Romanian benefits but "we will get products at attractive cost to sell outside Romania." That is, East and West Europe, China and Africa.

Furthermore, Romania is committed to supply technology and other products to the Soviet Union and her COMECON trading partners of the Eastern bloc. In effect, therefore, Romanian most-favored-nation is a way around the failure of the U.S.-Soviet Trade agreement.

Romanian President Nicolae Ceausescu, in an interview published by *Business Week* in December 1, 1973 made clear that its trade negotiations with the U.S. in no way was contrary to the objective of economic integration among the Coun-

oil for Mutual Economic Assistance (COMECON) : "Romania's policy of economic development not only does not go against the objective of cooperation with the COMECON countries, but favors its expansion. The more developed economically a country is, the sounder base it has for cooperating with other states." The COMECON countries, such as Poland, are committed to supply the Soviet Union with its needs. They are also subject to sudden cut-offs from the Soviet Union of materials they use for their industries. Thus when the Soviet Union wanted to discipline Romania a few years ago, it shut off its exports to Romania of coking coal, a product needed for steel production. U.S. coking coal came to the rescue of Romania. Romania is not able to do the reverse for the U.S. Thus, however, much Romania claims that it seeks "independence" from the Soviet economy, the political and economic facts of its existence require it to comply with Soviet wishes.

The AFL-CIO, therefore, cannot agree that the President has observed the "letter and the spirit" of the Trade Act of 1974, as his letter of transmittal of the agreement implies.

The first purpose of the Trade Act of 1974, as spelled out by the Congress is "to foster the economic growth of and full employment in the United States." The agreement ignores this proviso. The third purpose—"to establish fairness and equity in international trading relations, including reform of the General Agreement on Tariffs and Trade" is not being carried forth. The fourth purpose—"to provide adequate procedures to safeguard American industry and labor against unfair and injurious import competition" has been ignored.

We also deplore the fact that the Trade Act's Title IV requirement that human freedom—the right of emigration—be part of all bilateral pacts with communist countries has not been observed. Instead, the President has taken the responsibility of waiving the requirements for the right of emigration as he may do under Title IV (402)(c)(1). Thus the President has merely declared that Romania intends to grant freedom of emigration from Romania. There is no agreement in the bill offered as H. Con. Res. 252 that provides for that. His action does no more than the Congress agreed to do for the Soviet Union under the false belief that human freedom would be encouraged. Thus the proclamation sent to the Congress merely states that the President has waived "application of subsections (a) and (b) of section 402" of the Trade Act of 1974.

Congress' efforts to limit the authority of the President have been ignored; the purposes of the Trade Act of 1974 have been violated; this agreement makes trade a one-way street into the U.S. at the expense of U.S. jobs, production and revenue, for the benefit of multinational firms, a communist country with state-controlled labor. We urge this Committee to reject this agreement.

#### APPENDIX I

##### JOB LOSSES, APRIL 1974-75

[In thousands]

	April 1974	April 1975	Loss
Furniture and fixtures.....	535.5	438.0	-97.5
Stone, clay, and glass products.....	692.9	601.6	-91.3
Fabricated metal products.....	1,487.7	1,293.1	-194.6
Non-electrical machinery.....	2,191.2	2,067.7	-123.5
Electrical equipment.....	2,039.9	1,728.3	-311.6
Transportation equipment.....	1,791.8	1,594.6	-197.2
Miscellaneous manufacturing.....	448.1	391.3	-56.8
Food and kindred products.....	1,654.4	1,594.3	-60.1
Apparel and other textile products.....	1,357.4	1,182.3	-175.1
Chemicals and allied products.....	1,051.1	1,007.3	-43.8
Rubber and plastic products.....	675.7	570.8	-104.9
Leather and leather products.....	288.5	250.5	-38.0

Source: "The Employment Situation," April 1975, Bureau of Labor Statistics, U.S. Department of Labor, May 2, 1975



## Appendix II—Principal Romanian Exports 1970

Electric motors	Synthetic fibres
Power transformers	Sawn hardwood
Tractors	Veneer
Trucks	Fibreboard
Oilfield equipment	Furniture
Bearings	Cotton fabrics
Rolled non-ferrous metal	Textile garments (incl. knitwear)
Gas oil	Carpets
Mineral oils	Leather footwear
Soda ash	Fresh vegetables
Carbide	Tinned vegetables
Synthetic resins	Eggs
	Edible vegetable oils
Pharmaceutical products and medical drugs	

Source: Trading and Investing in Romania, *Overseas Business Reports*, August 1973, U.S. Department of Commerce.

## APPENDIX III

COMPARISON OF CURRENT TARIFFS AND "MOST-FAVORED-NATION" TARIFFS ON SELECTED CATEGORIES AND PRODUCTS EXPORTED BY ROMANIA<sup>1</sup>

(In percent)

	Current rate	MFN
Electric motors.....	35.0	4.0
Battery charging generators.....	35.0	5.0
Starter motors.....	35.0	4.0
Power transformers.....	90.0	25.0
Electrical parts.....	35.0	5.5
Automatic switches and relays.....	35.0	8.5
Switchboard panels.....	35.0	8.5
Electronic components.....	60.0	15.0
Electronic parts not specified.....	35.0	5.5
Tractors—Agricultural.....	Free	Free
Other.....	27.5	5.5
Trucks.....	10.0	3.0
Tires.....	10.0	4.0
Bearings.....	45.0	7.5
Iron and steel products.....	45.0	8.5
Furniture.....	42.5	12.5
Clothing.....	90.0	42.0
Knitwear.....	(?)	(?)
Leather footwear—Shoes.....	20.0	5.0
Meat—Canned ham.....	Free	Free
Glass.....	(4)	(5)

<sup>1</sup> Some tariffs are examples of many varying tariff rates. For example, iron and steel, sheet glass, shoes, clothing have many different classifications, with a variety of specific and ad valorem duties.

<sup>2</sup> 50 cents per pound.

<sup>3</sup> 37.5 cents per pound.

<sup>4</sup> 1.5 cents per pound.

<sup>5</sup> .3 cents per pound.

Source: U.S. International Trade Commission.

## APPENDIX IV.—SELECTED IMPORTS FROM ROMANIA (1973 AND 1974)

	1973	1974
Footwear, new except orthopedic.....	\$8,640,000	\$11,329,000
Meat and meat preparations.....	6,319,000	9,930,000
Machinery, nonelectric.....	5,724,000	8,167,000
Furniture.....	1,476,000	1,736,000
Iron and steel.....	1,171,000	1,523,000
Clothing and accessories, etc.....	6,267,000	5,188,000
Nonmetallic mineral manufactures.....	5,245,000	3,551,000

Source: U.S. International Trade Commission.

APPENDIX V  
EXPORT-IMPORT BANK OF THE UNITED STATES—ROMANIA, DETAILS OF REGULAR, LOANS  
[Dollar amounts in thousands]

Credit No. and date authorized	Obligor	Item financed	Supplier and participating bank	Export value	Repayment terms			Disbursement by Eximbank	Outstanding balance
					Supplier	Other	Eximbank		
3999—June 21, 1972.....	Impoxmin State Co.....	Equip. for offshore drilling....	Offshore Co.; Manufacturers Trust.	\$3, 178	5 SA Beg., Aug. 10, 1975.	5 SA Beg., Aug. 10, 1975.	5 SA Beg., Feb. 10, 1978.	\$793	\$793
4152—Sept. 28, 1972.....	Tehnoimporterexport.....	Seismic processing system....	Control Data Corp.; First Nat'l Bank, N.Y.	1, 150	5 SA Beg., Aug. 5, 1973.	5 SA Beg., Aug. 5, 1973.	5 SA Beg., Feb. 5, 1976.	402	402
4484—Apr. 2, 1973.....	do.....	Aircraft, coml. jet (3) 707's....	Boeing Co.; Morgan Guaranty Trust.	44, 486	-----	10 SA Beg., Dec. 5, 1974.	10 SA Beg., Dec. 5, 1979.	20, 019	20, 019
4503—Apr. 23, 1973.....	Romehim.....	Plant to produce tires.....	General Tire Int'l Co.; Manufacturers Trust.	28, 795	-----	10 SA Beg., Aug. 10, 1976.	10 SA Beg., Aug. 10, 1981.	2, 895	2, 895
4507—Apr. 30, 1973.....	do.....	Rubber drying and packaging line.	Anderson Ibec; Morgan Trust Co.	1, 830	-----	5 SA Beg., Aug. 5, 1976.	5 SA Beg., Aug. 5, 1978.	-----	-----
4537—May 17, 1973.....	Rodernergo.....	Constr. nuclear technical centr.	Gulf Energy & Environmental System; First Nat'l Bank, N.Y.	4, 635	8 SA Beg., July 31, 1976.	8 SA Beg., July 31, 1976.	6 SA Beg., July 31, 1980.	-----	-----
4781—Aug. 27, 1973.....	Romchim.....	Compressors and turbines....	Delaval Turbine, Inc.; Morgan Guaranty Trust.	10, 420	-----	7 SA Beg., Mar. 15, 1976.	7 SA Beg., Mar. 15, 1979.	-----	-----
4883—Nov. 1, 1973.....	Metaron.....	Vaccumf furnance and spare parts.	Alco Standard Corp.; Continental Ill. Nat'l Bk.	1, 635	-----	5 SA Beg., Feb. 10, 1976.	5 SA Beg., Aug. 10, 1978.	-----	-----
4958—Nov. 28, 1973.....	Uzinexportimport.....	Equip. for bushing line.....	DAB Industries; Detroit Bank & Trust.	1, 746	-----	5 SA Beg., Apr. 15, 1976.	5 SA Beg., Oct. 15, 1978.	-----	-----
5283—Mar. 22, 1974.....	Metaron.....	(5) welding machines.....	Wean United; Manufacturers Hanover.	818	-----	5 SA Beg., Oct. 5, 1975.	5 SA Beg., Apr. 5, 1978.	-----	-----
5368—Apr. 15, 1974.....	do.....	Equipment to produce pipe coupling.	Pipe Machinery Co.; Under-terminated.	1, 550	-----	5 SA Beg., July 5, 1975.	5 SA Beg., Jan. 5, 1978.	-----	-----
5379—Apr. 18, 1974.....	Uzinexportimport.....	Establish engine bearing plant.	DAB Industries; Irving Trust Co.	5, 600	-----	7 SA Beg., Nov. 15, 1976.	7 SA Beg., May 15, 1980.	-----	-----
Romania total regular loans.....				105, 893	-----	-----	-----	24, 109	24, 109

The CHAIRMAN. I ask all Senators to confine their questions to 5 minutes during the first interrogation of all witnesses today.

Senator CURTIS?

Senator CURTIS. No questions.

The CHAIRMAN. Senator Ribicoff?

Senator RIBICOFF. No questions.

The CHAIRMAN. Senator Dole?

Senator DOLE. I have no questions.

The CHAIRMAN. Thank you very much for your presentation today.

Our next witness will be Mr. L. J. Lamm, National Association of Manufacturers.

Let me repeat that each witness' full statement will be printed in the record. We have asked witnesses to summarize their statements with the understanding that their full statement will be available to all Senators in the printed record.

Senator RIBICOFF. Mr. Chairman, I think, for the benefit of the witnesses, this is a very busy day on the floor with many votes anticipated. In this way you will all have an opportunity to testify without the absence of the Senators, and so I think this is practical for you as well as the committee.

The CHAIRMAN. Thank you, Senator. I would also like to point out that objection has been made on the Senate floor to this committee meeting during the afternoon, so we are compelled to move right along to finish this morning.

Please go ahead, Mr. Lamm.

#### **STATEMENT OF L. J. LAMM, NATIONAL ASSOCIATION OF MANUFACTURERS**

Mr. LAMM. Thank you, Mr. Chairman, members of the committee, I am Mr. L. J. Lamm. I am director for East-West trade, for Clark Equipment Co., in Buchanan, Mich. And since the latter part of 1971. I have been responsible for their trade, including licensing arrangements with socialist republics, and today I am representing the National Association of Manufacturers as a member of the East-West trade task force.

We certainly appreciate this opportunity to testify on the favor of the recently signed United States-Romanian Trade Agreement. In fact, I came back from Romania yesterday for this purpose and I am going back tonight.

The National Association of Manufacturers members accounts for about 15 million jobs and about three-fourths of the Nation's production of manufactured goods. This task force represents a mix of people with both past experience in East-West trade and those who are recently getting into the trade. We view this resolution to approve the United States-Romanian Trade Agreement as an important step in the continued balance of mutually advantageous trade between the United States and Romania.

We have testified on East-West trade matters in the past, most recently, during the Trade Act of 1974 and last month during subcommittee consideration of this agreement in the House of Representatives. We support the conclusion of bilateral trade agreements with nonmarket economy countries based upon general U.S. trade regulations, with

certain necessary provisions made for national security, market disruption, and other problem areas.

The trade between our two countries, even without the benefits of a trade agreement, has been increasing. It is a two-way trade with a total of about \$172 million in 1973 and an increase of about 170 percent over 1972. In 1974 this level rose to over \$408 million. This is approximately 2 to 1 in favor of U.S. trade.

The new Romanian 5-year economic plan calls for about an 11 to 13 percent annual increase in total foreign trade and the imports will cover capital equipment, tools, technology, and certain raw materials, and the traditional imports of various agricultural products. At the same time, to buy these things which will increase the employment of U.S. workers, they hope to earn hard currency to pay for these by expansion of their exports which consist largely of fuel products, some light manufacturers, and agricultural commodities. As you know, they are not a large manufacturer of automotive vehicles, not being able to take care of their own market. They are not engaged in the manufacture of very sophisticated products.

It is interesting that in 1974 the United States registered \$147 million positive trade balance with Romania. We think even with this trade bill that positive trade balance will continue because they are after dollars and with those dollars they will be able to buy more U.S. products.

Perhaps a good way to illustrate the meaning of the trade expansion sought by this agreement is to return to some of our own experience with Clark Equipment and particularly with its dealings with Romania. In 1974 Clark sales totaled about \$1.37 billion, with overseas sales contributing over one-third of that amount. Sales specifically in Eastern Europe, was more than \$3.7 million, and we view this as a very promising market. Last year Clark's export sales to the United States, together with the license fees, contributed over \$140 million to the U.S. balance of payments.

Another very important way of understanding these figures is in terms of U.S. jobs. In 1974 Clark employed over 20,000 people in the U.S.A. and at least 1 out of every 9 jobs was due to our export. We import very, very little, less than \$5 million. This, you might say, is the rule of thumb, is \$60,000 of export equals one job 1 year.

In the specific context of this trade with Romania, in April of this year during the visit of Romania's Minister of Heavy Machinery Industry, Ioan Avrams, Clark Equipment signed a tentative agreement for the manufacture in Romania of powershift transmissions of Clark design. Clark expects the sale of U.S. made components to this Romania licensee to be several million dollars per year for the foreseeable future. And there will be no, insofar as we know now, or very little of any re-import. We do not see that as being an important factor at all.

Our experience is similar license arrangement for manufacture in an East European country of Clark design axles has been that 60 percent of the content is of U.S. origin, and we do not expect that figure to drop much below 25 to 30 percent. They will buy from us those items which are of high labor, low material content, or in other words, those that will have higher technology.

We anticipate the Romanian agreement to be at a likewise balance of U.S. content.

I might say that Clark is building a new factory in Rockingham, N.C. to expand their domestic production so that we will not be dependent on any foreign imports. We will use this new production facility to produce for our growing U.S. demand and to produce this very high component contents for the Romanian licensees.

Now I would like to testify briefly on several aspects of the trade agreement. Although there are a number of sound economic reasons for United States-Romanian trade, the NAM strongly believes that such improvements must be approached on a realistic basis with our eyes open to potential difficulties arising from differences in our respective economic systems. And also, these agreements must have adequate precautionary measures to protect the U.S. economy from unfair and sudden market disruptions. We believe the safeguard provisions in article III which set forth a procedure for resolving potential problems through timely consultations, but maintain the right to take remedial action if necessary on an emergency basis. Other agreement provisions reaffirm compliance with the rights and guarantees set forth in the Paris Convention for the Protection of Industrial Property and the Universal Copyright Convention. Furthermore, we believe that Romania's membership in the General Agreement on Tariffs and Trade as well as the International Monetary Fund and the World Bank reflects well on their agreement with the rules of these organizations concerning the orderly functioning of the world trading system.

U.S. businesses operating in Romania can expect to benefit from improved contact with Romanian state trading organizations by the establishment of offices in the United States by Romania and the establishment in Romania by U.S. companies of their offices.

Senator RIBICOFF (presiding). Mr. Lamm, did you say you were going back to Romania tomorrow?

Mr. LAMM. Right. Yes, sir.

Senator RIBICOFF. I would suggest that you take a message back to the people that you have been meeting with that their performance on immigration has been most disappointing and that they should take a hard look at their immigration policy.

Mr. LAMM. Thank you, Senator. I will be seeing Minister Avrams on Monday and I will be very happy to pass that along to him. And while I cannot comment on it here because I am representing the Manufacturing Association, we are in sympathy with that.

Senator RIBICOFF. Thank you very much, Mr. Lamm.

[The prepared statement of Mr. Lamm follows:]

TESTIMONY OF L. J. LAMM, DIRECTOR, CLARKE EQUIPMENT CO., ON BEHALF OF THE  
NATIONAL ASSOCIATION OF MANUFACTURERS

#### SUMMARY

1. NAM supports the U.S.-Romanian Trade Agreement and the corollary extension of MFN treatment as an important step in improving mutually beneficial bilateral trade relations.

2. Without the agreement U.S. firms would be at a considerable disadvantage in competing for sales in Romanian markets. The accord provides not only non-discriminatory access, but also tangible business facilitation measures to aid commercial contacts.

3. Trade growth with Romania will bring increase U.S. exports, both of complete assemblies and of component parts. This trade gain means domestic job creation which would otherwise have been lost to foreign trading competitors.

4. Romanian sales to the U.S., a necessary part of two-way trade growth, are likely to continue in product areas with a high raw material and relatively low labor content, acting as an aid to the U.S. economy.

5. Recognizing the potential difficulties which could arise from differences in the respective economic systems, NAM believes the agreement's national security and market safeguard provisions, as well as reaffirmed compliance with international industrial rights conventions, provide a sound basis for realistic trade expansion.

6. NAM therefore urges approval of Senate Concurrent Resolution 35.

#### STATEMENT

Mr. Chairman and members of the Committee: I am Mr. L. J. Lamm, Director for East-West Trade, Clark Equipment Company, in Buchanan, Michigan. Since the latter part of 1971, I have had the responsibility for trade, including licensing arrangements, between Clark and Socialist Republics. Today, I am representing the National Association of Manufacturers as a member of its East-West Trade Task Force. We appreciate this opportunity to testify on the recently-signed United States-Romanian Trade Agreement. NAM member companies—large, medium and small in size—account for nearly three-fourths of the nation's production of manufactured goods, as well as the employment of approximately 15 million persons. The East-West Trade Force represents NAM member companies with a mix of both past experience and present interest in East-West trade related issues. The Task Force has helped sponsor major symposia on East-West trade, promoted bilateral communication between non-market economy countries and U.S. manufacturers, and continually informed NAM members on legislative matters affecting this growing section of U.S. foreign trade and commerce. We view this resolution to approve the United States-Romanian Trade Agreement now before your committee as an important step in the continued balanced expansion of mutually beneficial trade relations between the United States and countries of Eastern Europe.

The NAM has testified on East-West trade matters in the past, most recently during deliberations on the Trade Act of 1974 and last month during Subcommittee consideration of this agreement in the House of Representatives. NAM supports the conclusion of bilateral trade agreements with non-market economy countries based upon general U.S. trade regulations, with certain necessary provisions made for national security, market disruption and other problem areas which might arise from very real differences in our national economic systems. Within a bilateral agreement, the individuality of each national system should be properly considered. We support the goal of improving economic relations between the United States and Romania and believe that this new agreement provides a good basis for such improvement. As a corollary to this support, we also favor the extension of Most-Favored-Nation (MFN) tariff treatment to Romania as approved in the resolution and within the context of the trade agreement.

Trade between our two countries, even without the benefits of a trade agreement, has been increasing at a promising rate over the last three years, indicating a desire on both sides for improved trading relations and a real potential for further expansion. Two-way trade totalled \$172 million in 1973, an increase of 170% over 1972. In 1974 this level rose to over \$408 million. As stated in the agreement before you, this new accord is expected to lead to a threefold expansion of trade during the next three years, reaching perhaps over \$1 billion by 1980. The new Romanian five-year economic plan calls for an 11-13% annual increase in total foreign trade, with imports covering modern capital equipment, technology, certain raw materials, and traditional imports of various agricultural products. At the same time, Romania hopes to earn hard currency to pay for these increased imports through an annual expansion of its exports, which have consisted largely of certain fuel products, some light manufactures, and agricultural commodities. The main areas for potential Romanian export growth are likely to be products with high raw material content rather than more sophisticated products or highly labor intensive goods.

While total trade between the United States and Romania has expanded significantly over the last three years, it is also informative to note that the trade balance has consistently favored the U.S. exports in a ratio of more than two to one. In 1974 the United States registered a \$147 million positive trade balance with Romania. While it may realistically be expected that the United States will continue to realize such a surplus in the near future, it is also important to recognize that further significant increases in trade must be based on two-way reciprocity. The extension of non-discriminatory trade status to Romania will allow their exports to compete fairly with the exports from our other trading partners for entrance into the U.S. market. MFN status does not give a country's products privileged treatment over most other nations, but indeed only puts them on a par with the treatment already accorded most nations with whom we trade. Eliminating the present discriminatory rates placed on Romanian products is a necessary step toward expanding beneficial two-way trade, enabling Romania to earn the foreign exchange needed to purchase U.S. products.

Perhaps a good way to illustrate the meaning of the trade expansion sought by this new Agreement would be to turn for just a moment to the experience of Clark Equipment Company in its dealings with East European trade, and particularly to its developing trade relationship with Romania. In 1974, Clark sales totaled over \$1.37 billion, with overseas sales contributing in excess of one-third of this amount. Sales specifically in Eastern Europe amounted to more than \$3.7 million, and we view this area as one of the most promising for future expansion. Last year Clark's export sales from the U.S., together with such additions as license fees, contributed over \$140 million to the U.S. balance of payments. Another very important way of understanding these figures is in terms of U.S. jobs. In 1974 Clark employed over 20,000 persons in the U.S., and at least one of every nine of these jobs was dependent upon overseas sales. This comparison supports the often quoted reference of \$60,000 in export sales equaling one U.S. job.

Within the specific context of trade with Romania, in April of this year during the visit of Romania's Minister of Heavy Machinery Industry, Ioan Avramis, Clark Equipment signed a tentative agreement for the manufacture in Romania of powershift transmissions of Clark design. Clark expects the sale of U.S.-made components to this Romanian licensee to be several million dollars per year for the foreseeable future. Our experience in a similar license arrangement for manufacture in an East European country of Clark design axles has been that 60% of the continent is of U.S. origin, and we do not expect that figure to drop below 25-30%. Additionally, we have received a considerable number of orders for complete assemblies and for machine tools and heat treat furnaces from this licensee; we anticipate that the Romanian agreement may also produce considerable sale opportunities in these product areas. I might also add that Clark is now building a new factory in Rockingham, North Carolina, to expand our domestic production capacity to meet the growing U.S. demand and to furnish component parts to the Romanian licensee.

I would now like to briefly discuss certain specific aspects of the Trade Agreement. Although there are a number of sound economic reasons for expanded U.S.-Romanian trade, the NAM strongly believes that such improvement must be approached on a realistic basis with our eyes open to potential difficulties arising from differences in our respective economic systems. The agreement must contain adequate precautionary measures to protect the U.S. economy from unfair and sudden market disruptions. In this regard, we note the safeguard provisions in Article III which set forth a procedure for resolving potential problems through timely consultations, but maintain the right to take remedial action if necessary on an emergency basis. Other agreement provisions reaffirm compliance with the rights and guarantees set forth in the Paris Convention for the Protection of Industrial Property and the Universal Copyright Convention. Furthermore, we believe that Romania's membership in the General Agreement on Tariffs and Trade (GATT) as well as the International Monetary Fund (IMF) and the World Bank reflects well on their agreement with the rules of these organizations concerning the orderly functioning of the world trading system.

NAM supports those parts of the agreement which will help operationally to facilitate improved business relations. U.S. businesses operating in Romania can expect to benefit from improved contact with Romanian state trading organizations, better in-country facilities, bilateral trade promotion activities, the support

of reciprocal government commercial offices, and a framework for facilitating the settlement of commercial disputes. Particularly important here is the facilitation offered for establishing U.S. company offices in Romania. These provisions would promote much better communication between Romanian buyers and U.S. sellers, with a resultant larger share of the Romanian market for U.S.-made products. Also, the increased opportunity for Romanian trade officials to operate in the United States will improve the opportunity for contact between these officials and more medium-sized and smaller U.S. companies who cannot afford frequent trips to Romania or to open an office there.

Also as a part of normalized trading relations, U.S. firms investing in Romania will again be able to draw upon the services of the Overseas Private Investment Corporation (OPIC), and the Export-Import Bank can again be used where necessary to allow American exports to fairly compete with the government-subsidized packages normally offered by foreign competitors. It is the experience of Clark Equipment that Eximbank facilities are particularly essential to provide competitive interest rates which will allow product sourcing from the U.S., with its inherent job creation, rather than forcing Romania for economic reasons to buy from non-U.S. suppliers who can offer a lower financing package. We have found that as a rule of thumb, we must add 10% to our quoted cost on a payment over a five year period if Eximbank facilities are not available. These provisions will all help to place U.S. firms on a fair competitive basis with foreign companies for the export market to Romania, which will mean job creation here at home and a positive contribution to the national balance of trade.

Finally, the NAM supports the agreement provisions which recognize the right of either country to take action necessary to protect its national security interests. We believe that there is great benefit to be gained from commercial relations which are assessed in the light of national self-interest on an open and realistic basis.

In conclusion, we believe that approval of this agreement would provide considerable benefit to the United States and help strengthen the future of U.S.-Romanian relations. MFN status will reduce the tariffs on half of the products currently traded by our countries, stimulating further trade growth and the benefits that such commercial interchange brings to both economies. Relations between the U.S. and Romania have been conducted in recent years in a climate of mutual respect and friendship. We believe this agreement will be a concrete expression of that relationship and will add to it a strong, supporting tie of mutual economic benefit.

Our recommendation for approval of this trade agreement is therefore based on the following three reasons: (1) Romania represents a very large market for U.S. produced products for which this country has surplus capacity. Without approval of this agreement, U.S. companies will be at a considerable disadvantage in their efforts to penetrate the Romanian market; (2) Romanian products which would be primarily available for sale in the U.S. would probably have a high raw material content and would be an aid rather than a hindrance to the U.S. economy; (3) If this trade agreement is approved, we can expect an expansion of trade with Romania to the advantage of both countries. If it is not approved, U.S. sales to Romania will be severely limited by the lack of U.S. dollars to support Romanian's purchases.

Mr. Chairman and members of the committee, we appreciate this opportunity to present our views and urge your approval of this agreement.

Senator RIBICOFF. Rabbi Miller, please.

#### **STATEMENT OF RABBI ISRAEL MILLER, CHAIRMAN, CONFERENCE OF PRESIDENTS OF MAJOR AMERICAN JEWISH ORGANIZATIONS**

Rabbi MILLER. Mr. Chairman, members of the committee, we appreciate very much this opportunity to present to the committee the views of the organization which I have the honor to represent.

The Conference of Presidents of Major American Jewish Organizations, of which I am chairman, is a coordinating body of 32 national Jewish organizations, including religious, communal, service, and



Zionist organizations, and speaks for the organized Jewish community in the United States.

Over the years, we have noted with appreciation the independence with which the Romanian Government has pursued its foreign policy, its commendable efforts to normalize its relations with nations outside the Soviet bloc—with the United States in particular, and with Israel. We welcome the prospect of the consummation of the agreement on trade relations between our country and Romania and the extension of most-favored-nation treatment to its products. Romania would thus become the third country in Eastern Europe—in addition to Poland and Yugoslavia—to enjoy most-favored-nation status. We regard this as a step toward closer trade relations. However, we consider progress in the area of human rights—particularly freedom of movement, to which you, Senator referred a moment ago as an even more important step.

In passing the Trade Reform Act of 1974, under which this agreement is negotiated, the House by a vote of 319 to 80 adopted the Jackson-Vanik agreement requiring countries seeking American trade concessions to assure freedom of emigration for their people. Thereafter, Congress, in trilateral negotiations with the administration and the Soviet Union, modified the Jackson-Vanik amendment to permit the President to waive its restrictions if “he has received assurances that the emigration practices of that country will henceforth lead substantially to the achievement of the objectives” of freedom of emigration. The Senate, by a vote of 88 to 0, adopted a modification of the amendment on this basis. This was actively supported by the administration.

The Jackson-Vanik amendment, as modified by the waiver provision, is an important feature of the trade legislation. We strongly support its full and faithful implementation. It does no more than call on Romania to honor the commitments it made when it subscribed to the United Nations Declaration of Human Rights, whose article 13 guarantees that all persons shall have the right to leave their country. And respect for this basic human right may be regarded as an important step in the development of a genuine détente.

For many years, the record of Romania in Jewish emigration stood in welcome contrast to that of the Soviet Union. But in recent years—and most significantly at the very time when Romania seeks our trade concessions—the policy and practices of the Romanian Government have been and remain a cause for concern and disquiet.

Today, there are about 100,000 Jews in Romania. We understand there are many thousands of Romanian Jews who have already signified a desire to emigrate by notifying their Israeli relatives of their intention. Our estimate is confirmed by associations of Romanian Jews. I have received a letter dated May 8, 1975, which I will be pleased to submit for the record, if you should so request, from the Confederation of Romanian Immigrants in Israel requesting that I use this opportunity to urge that families in Romania, who are meeting “many obstacles” when they try to get exit visas, be reunited with their relatives in Israel. The secretary general of this representative body writes: “To the best of our knowledge there are 30,000 to 40,000 such cases, and only a very small percentage receives a positive response.”

Senator RIBICOFF. Rabbi, in view of the fact that you have raised the letter, I think you should make it available to the committee to go in the record.

Rabbi MILLER. Thank you. I will, sir.  
[The letter referred to follows:]

CONFEDERATION OF ROMANIAN IMMIGRANTS IN ISRAEL

TEL AVIV, May 8, 1975.

Rabbi ISRAEL MILLER,  
*Chairman, Conference of Presidents,  
United States of America*

DEAR SIR: In view of the fact that at the present time the Congress of the United States is deliberating the issue of Most Favored Nation status for Romania, we are addressing to you, in the name of the immigrants from Romania in Israel, a request that you take advantage of this extraordinary circumstance to assure that families from Romania be reunited with their relatives in Israel, who are meeting many obstacles when they are trying to get exit visas.

To the best of our knowledge there are 30 to 40 thousand such cases, and only a very small percentage receives a positive response.

Please do everything you can that this painful human problem should find a positive solution.

With all due respect,

MAYER ZIET,  
*Secretary General.*

Rabbi MILLER. In view of these large numbers seeking to leave, it is difficult to comprehend why the emigration figures for Jews in 1973 and 1974 were so small as to leave these many thousands of Jews disappointed, particularly since we were led to believe that some 10,000 might leave in 1974.

In the first 5 months of this year, the record is even worse. To the best of our knowledge, an average of less than 100 a month have left. In April, the very time when the President sent the trade agreement to Congress with a message saying he was convinced that the Romanian emigration practices would lead substantially to free emigration, the number of actual Jewish emigrants was only about 80. The figure for May was even lower.

On April 24, President Ford submitted a message to the Congress stating that he was waiving the restrictions of section 402, which incorporates the Jackson amendment, of the Trade Reform Act of 1974. We are sure that this committee is aware of the differences between the language actually used by the President in his April 24 message to Congress waiving the requirements of the Jackson amendment and the language of the report anticipated in section 402(c) (1) of the Trade Act. We assume that the committee will determine whether the basis for the President's report satisfies the statutory requirements.

In his May 7 testimony before the Ways and Means Subcommittee on Foreign Trade, Assistant Secretary of State for European Affairs Arthur Hartman urged that the nature of the understandings on emigration reached between the United States and Romania not be probed by Congress. He asked instead that the Congress, and I quote him—

\* \* \* assess Romanian emigration practices by deeds in the coming weeks and months. This is the real test by which our understanding should be judged. We have every reason to believe that the Romanians will work conscientiously with us to solve the humanitarian problems alluded to in the President's report and that we will see early evidence of this.

Thus spoke Assistant Secretary of State Hartman.

Today, as I appear before this committee, it is exactly 1 month since the Assistant Secretary urged the Congress to use performance as the true test of Romanian intentions concerning liberalized emigration. We have waited and watched with great hope. Regretfully, I must report to this committee that there has been no improvement whatsoever in the ratio of emigration during May. In fact, the total number of Jews permitted to leave in that month was only 50. We cannot understand why there has been no positive movement.

We hope that the performance of this last month is not indicative of the direction of future emigration from Romania. We would expect that the rate of emigration will improve in the next few weeks in a manner consistent with the considerably better performance of which the Romanians have proven themselves capable in the past, with the international obligations they have subsequently undertaken—for example, by their accession in 1970 to the International Convention on the Elimination of All Forms of Racial Discrimination—and with the conditions of the Trade Reform Act of 1974.

In order to provide the Romanian Government ample time to demonstrate its true intentions, therefore, we respectfully urge this committee to use the maximum statutory period of 45 days allowed to it under section 151 of the Trade Act before taking final action in determining Romania's eligibility to receive MFN. We will reserve our judgment until we see what the Romanians do and hear what the administration has to report when its representatives come before this committee.

We further request the opportunity to submit an additional statement to you toward the end of that period summarizing the most recent performance on Jewish emigration to supplement the available information on which the committee will determine its final recommendation.

We sincerely hope that the evidence of emigration performance available at that time will indicate substantial Romanian movement toward meeting the objectives of section 402 of the trade bill and will thus allow the committee to recommend favorable action on MFN for Romania.

Thank you.

#### **STATEMENT OF MAX BERRY, EXECUTIVE DIRECTOR, EAST-WEST TRADE COUNCIL**

Mr. BERRY. Mr. Chairman, members of the committee, I am pleased to have this opportunity to appear before you today on behalf of the East-West Trade Council. The council is a nonprofit organization whose membership includes U.S. businesses, associations, academics, and interested individuals. Our membership to date is approximately 150, with 100 of those being U.S. businesses either involved in or deeply interested in trade with the U.S.S.R.

The East-West Trade Council strongly supports the resolution you are considering today which provides, in part, most-favored-nation, MFN, status treatment to the products of the Socialist Republic of Romania.

Since 1951, imports into the United States from Romania have been subject to the Smoot-Hawley rates of duty, reflected in column 2 of the Tariff Schedules of the United States, as amended. This discriminatory

tariff is, on an average, double the rate on the same goods imported into the United States from a country receiving MFN treatment.

In 1951, under section 5 of the Trade Agreements Extension Act, the United States denied MFN to Romania. The factors which led to that enactment have changed dramatically in recent years. For approximately 15 years, relations between the United States and Romania have steadily improved. In 1960, Romania signed an agreement providing restitution of U.S. property claims. In 1964, the United States revised its export licensing procedures for Romania and both countries elevated legations to embassies.

Growing exchanges of economic and cultural delegations marked the midsixties, climaxed by President Nixon's 1969 visit to Romania, the first Presidential visit to an East European country since the end of World War II. Also in 1970, Romanian President Nicolae Ceausescu visited the United States. In 1972, William P. Rogers became the first U.S. Secretary of State ever to pay an official visit to Romania. Rogers negotiated and signed a Consular Convention to facilitate the protection of U.S. citizens and property in Romania.

President Ceausescu returned to the United States in 1973 at which time the two countries concluded a civil air transport pact, a fisheries agreement and a tax convention. The visit ended with the signing of the Joint Statement on Economic, Industrial, and Technological Cooperation in which the President of the United States renewed his pledge, made first in 1969 in Bucharest, to seek most-favored-nation treatment as a step in the development and diversification of economic relations between the United States and Romania. This request has been renewed a third time with President Ford's letter to the President of the Senate, dated April 24, 1975.

Also in 1973 we witnessed the establishment of the Joint American Romanian Economic Commission, to meet annually and to follow up on the principles enunciated in the Joint Statement on Economic, Industrial, and Technological Cooperation. In 1974, the Securities and Exchange Commission permitted resumption of trading in the securities issued by Romania.

This spring, a delegation of the Romanian heavy machine building industry, headed by Minister Ioan Avram, toured the United States meeting with U.S. corporations and U.S. governmental officials as a followup to the joint statement of 1973. Several contracts were concluded, looking toward Romania's next 5-year plan.

The Romanian-United States Economic Council just met in Washington to review the current progress and to consider the future of Romanian-American economic cooperation. The meeting brought together leaders of Romanian and U.S. industry. American officials, including Vice President Rockefeller and Commerce Secretary Rogers Morton addressed the group lending their firm support to passage of Romanian MFN. Though optimistic, each recognized that future trade and political relations had reach a critical juncture with the trade agreement under consideration by Congress. Ratification, according to President Ford in a greeting read to the delegates, "will mark a very important milestone in the efforts of our two governments to create the overall climate and specific economic principles which will promote continuing development."

Romania has been an excellent market for American exports. Trade with America, which just 7 years ago totaled \$23 million, has grown to a 1974 level of \$409 million, with significant growth expanding. All the while, the United States has enjoyed a considerable trade balance surplus, and I am informed for the first quarter of this year the trade balance is of a 3 to 1 ratio, in favor of the United States.

With most-favored-nation treatment, the volume of trade will grow and should continue to be profitable for the United States. Article II of the trade agreement itself anticipates "that the total bilateral trade in comparison with the period 1972-74 will at least triple over the 3-year period of this agreement." Some feel this figure could exceed \$1 billion annually by 1980.

The United States needs this growth in bilateral trade as does Romania. The international trade situation has changed dramatically in the past 2 years, underlining the importance of relationships such as the one the United States now has with Romania.

Though MFN will not make Romania a major U.S. trading partner, Romania-U.S. trade will be significant and profitable. In 1974 our trade balance revealed a \$3 billion deficit, due primarily to the price jump in petroleum products. Though 65 percent of Romania's exports to the United States consisted of mineral fuels and lubes, our 1974 balance with Romania revealed a \$146.6 million surplus.

Even with the lifting of the discriminatory Hawley-Smoot tariff treatment, this trade relationship is expected to remain profitable for the United States. Under the 5-year plan, Romania intends to expand foreign trade annually by 11 percent to 13 percent. Manufactured goods, machinery and transportation equipment accounted for over 35 percent of our exports to Romania last year. If Romania can acquire more foreign exchange through her exports to this country with most-favored-nation treatment, she will possess the needed resources to import more from the United States in meeting her increased demand for imported capital goods.

Our exports are losing out to the more aggressive trade policies of other European and Asian countries. We are losing a market. Denying MFN has stunted the development of our trade with countries such as Romania, relegating the United States to a comparatively insignificant role in the Western trade of the region. American trade accounted for but 6 percent of Romania's foreign trade with the West in 1974, accounting for roughly 3 percent overall. MFN and closer economic ties would prevent Romania from having to buy in other markets when it actually prefers U.S. goods and cannot purchase them owing to a shortage of hard currency and American dollars.

A healthy trade relationship needs reciprocity. One reason for the major expansion of American-Romanian trade has been the pledge, twice made by President Nixon and renewed by President Ford to seek MFN for Romania. The volume of U.S.-Romanian trade tripled in 1970 after President Nixon's initial pledge in 1969. It slumped in 1971, increased in 1972-73, then skyrocketed again after the Nixon-Ceausescu meeting of December 1973.

The United States now extends most-favored-nation treatment to Poland and Yugoslavia. This factor, taken with the availability of Export-Import financing, has meant a profitable relationship for the United States, with balances running 2 to 1 with the United States.

In closing, Mr. Chairman, I would like to say to you and to the committee that on every economic level that the council can research and study, we cannot find one economic reason why this agreement should not be approved by the Congress. We feel that it is in the best interests of the United States on all of the issues that this agreement be approved by the Congress.

I thank you very much.

Senator RIBICOFF. Thank you very much.

Senator Dole.

Senator DOLE. Just one general question. In testimony and also in conversation, I have heard that we are exporting jobs with agreements such as this, and I have not seen any documented proof of that. In fact, I think if we look at the exports and the fact that they amounted to about \$140 billion and about 8 million jobs last year, it would seem that it would be the reverse. But do you know of any documentation that would indicate that we have had a net loss of jobs because of expanded foreign trade?

Mr. BERRY. Senator Dole, I believe that no documentation exists to establish that fact at all. As a matter of fact, when you have such a huge amount of exports going out of the United States, I think the facts show that jobs are created. I think that statements made to the contrary remind me very much of the same statements made in 1929 and 1930 at the time the Hawley-Smoot bill was being debated. The slogan of that bill was keep out imports, save American jobs. Every book one can find researching that period of time in the Library of Congress will show statistically that jobs were lost under Hawley-Smoot. I think jobs are created in this situation concerning Romania. They are not lost.

Senator DOLE. That is all I have. Thank you.

Senator RIBICOFF. Thank you.

Senator Talmadge.

Senator TALMADGE. How much would you anticipate trade would increase if this treaty is adopted?

Mr. BERRY. Senator Talmadge, some estimate that the trade could increase by the year 1980 or 1981 to approximately a total of \$1 billion, with the United States maintaining a health balance of trade surplus.

Senator TALMADGE. We enjoy now, as I understand it, quite a healthy balance of payments situation with Romania at the present time. Would you anticipate that this favorable balance would remain if this treaty is agreed to?

Mr. BERRY. I certainly do, sir. I think that whenever you have statistics on imports and exports as you witnessed today, the favorable trend will continue. The United States is exporting far more to Romania than Romania is exporting to us. And the first quarter of this year, the balance of trade is 3 to 1 in favor of the United States. The total trade last year was \$409 million.

As we increase our exports to Romania and they increase their exports to us, one might see a lowering of the 3-to-1 ratio to a 2-to-1 or a 2.1 or a 1.8, ratio, but the most important statistic, in my opinion, is that we are multiplying dramatically our exports. The larger our exports become the better it will be for the U.S. economy. With more exports going from the United States to Romania, and maintaining a favorable U.S. balance of trade, then we are not only helping our

balance but we are helping our economy; we are increasing jobs in my opinion, and we are dealing in a part of the world where I think it is very important for the United States to be dealing.

**Senator TALMADGE.** Most of our exports to Romania now are agricultural products are they not?

**Mr. BERRY.** In answering your question, Senator, I will use a statement which Undersecretary of Commerce John Taber presented to the House of Representatives a few days ago—Congressman Green's Subcommittee on Trade. Out of the \$277 million in U.S. exports to Romania in 1974, \$93.35 million was listed as food and live animals, and beverages and tobacco totaled \$0.13 million. Edible oils and fats were not exported. Approximately one-third of the figure going to Romania is agricultural products, and that is a healthy amount.

**Senator TALMADGE.** Most of the imports from Romania were manufactured products; were they not?

**Mr. BERRY.** Yes; the largest import from Romania was fuel oil, gasoline. It is interesting to note that this oil, while it is not a significant amount for U.S. needs, is approximately \$90 million, and it came in throughout the embargo that the United States experienced.

**Senator TALMADGE.** A member of the staff has just handed me a paper indicating that U.S. imports in the year 1974 from Romania were \$130 million, and about \$80 million plus of that was mineral fuels, lubricants, and related materials. Would you anticipate that most of the imports from Romania would be manufactured products, and most of the exports from this country would be agricultural?

**Mr. BERRY.** Senator, I believe that we will continue to have a significant percentage of agricultural exports go to Romania. During the recent Romanian-U.S. Economic Council meeting which was held in Washington last week under the sponsorship of the Chamber of Commerce of the United States, statements were made that under the new 5-year plan, Romania intends to construct approximately 275 new producing facilities. They also intend to purchase many medical supplies and medicines and increase their number of hospitals. I believe that the need is not just for agricultural exports. Romania has an acute need for U.S. machinery, U.S. medical supplies, pharmaceuticals, health equipment, and other products as well as agricultural exports.

As far as the export of goods from Romania to the United States, I think petroleum will still be a factor, but we would see an increase in other products such as wine and food products. They have a very fine wine but the rate of duty is almost triple on wine and it is very hard to sell it here. Romania also has fresh vegetables and fruits, and tomato products, which would be more plentiful to our markets as well as other special food items.

Romania would also, I believe, import from the United States more consumer items than they are doing now, which they feel are needed.

**Senator TALMADGE.** Thank you very much.

**Mr. Chairman,** I have no further questions at this time.

**Senator RIBICOFF.** Thank you, Mr. Berry.

**Mr. BERRY.** Thank you.

[The prepared statement of Mr. Berry follows:]

## TESTIMONY OF MAX N. BERRY, EXECUTIVE DIRECTOR, EAST-WEST TRADE COUNCIL

## I. INTRODUCTION

Mr. Chairman and members of the Committee, I am pleased to have this opportunity to appear before you today on behalf of the East-West Trade Council. My name is Max Berry and I am Executive Director of the East-West Trade Council. The Council is a non-profit organization whose membership includes U.S. businesses, associations, academics and interested individuals. Our membership to date is approximately 150, with 100 of those being U.S. businesses either involved in, or deeply interested in trade with the U.S.S.R., the countries of Eastern Europe and the People's Republic of China. The Council is financed solely from its membership. We are submitting for your information a complete list of our membership and our Board of Directors. We believe they represent an impressive cross-section of U.S. interests deeply committed to expanded East-West Trade. The main activities of the Council include a bi-weekly newsletter, sponsorship of symposiums on East-West trade and efforts to gain increased trade opportunities for the United States in those countries through advocacy both in the Congress and the Administration for policies which promote East-West trade.

The East-West Trade Council strongly supports S. Con. Res. 35 which provides, in part, Most-Favored-Nation (MFN) status treatment to the products of the Socialist Republic of Romania.

## II. HISTORY OF U.S.-ROMANIAN ECONOMIC AND POLITICAL COOPERATION

Since 1951, imports into the United States from Romania have been subject to the Smoot-Hawley rates of duty, reflected in Column Two of the Tariff Schedules of the United States, as amended. This discriminatory tariff is, on an average, double the rate on the same goods imported into the United States from a country receiving MFN treatment.

In 1951, under Section 5 of the Trade Agreements Extension Act, the United States denied MFN to Romania. The factors which led to that enactment have changed dramatically in recent years. For approximately 15 years, relations between the United States and Romania have steadily improved. In 1960, Romania signed an agreement providing restitution of U.S. property claims. In 1964, the United States revised its export licensing procedures for Romania and both countries elevated legations to embassies. Growing exchanges of economic and cultural delegations marked the mid-Sixties, climaxed by President Nixon's 1969 visit to Romania—the first Presidential visit to an East European country since the end of World War II.

In 1970, the United States Government and private individuals responded generously with aid for Romania in the wake of a series of floods. Also in 1970, Romanian President Nicolae Ceausescu visited the United States and Agriculture Secretary Hardin visited Romania. In 1971, the President of the Overseas Private Investment Corporation and the Secretary of Commerce visited Romania; in 1972, William P. Rogers became the first United States Secretary of State ever to pay an official visit to Romania. Rogers negotiated and signed a Consular Convention to facilitate the protection of U.S. citizens and property in Romania. President Ceausescu returned to the United States in 1973 at which time the two countries concluded a civil air transport pact, a fisheries agreement and a tax convention. The visit ended with the signing of the Joint Statement on Economic, Industrial and Technological Cooperation in which the President of the United States renewed his pledge, made first in 1969 in Bucharest, to seek Most-Favored-Nation treatment as a step in the development and diversification of economic relations between the United States and Romania. This request has been renewed a third time with President Ford's letter to the President of the Senate, dated April 24, 1975 in which he stated in part:

" . . . This Agreement caps a decade of improvements in all areas of U.S.-Romanian relations. It will place our trade with Romania in a non-discriminatory basis that will promote continued development of mutually beneficial economic ties. It will thereby bring the structure of our economic relations into accord with the very satisfactory state of our political relations . . . "



1973 also witnessed the establishment of the Joint American Romanian Economic Commission, to meet annually and to follow up on the principles enunciated in the Joint Statement on Economic, Industrial and Technological Cooperation. In 1974, the Securities and Exchange Commission permitted resumption of trading in the securities issued by Romania.

This spring, a delegation of the Romanian heavy machine building industry, headed by Minister Ioan Avram, toured the United States meeting with U.S. corporations and U.S. Governmental officials as a follow up to the Joint Statement of 1973. Several contracts were concluded, looking towards Romania's next Five Year Plan (1976-1980).

The Romanian-U.S. Economic Council just met in Washington to review the current progress and to consider the future of Romanian-American economic cooperation. The meeting brought together leaders of Romanian industry and U.S. representatives of such companies as Union Carbide, Atlanta Corporation, Continental Oil, Control Data Corporation and Manufacturers Hanover Trust. American officials, including Vice President Rockefeller and Commerce Secretary Rogers Morton addressed the group lending their firm support to passage of Romanian MFN. Though optimistic, each recognized that future trade and political relations had reached a critical juncture with the Trade Agreement under consideration by Congress. Ratification, according to President Ford in a greeting read to the delegates, "... will mark a very important milestone in the efforts of our two Governments to create the overall climate and specific economic principles which will promote continuing development."

Looking to the future, the first Bio-medical Hospital Exposition and Congress will be held in Bucharest one year from now. Romania anticipates the need under the Five Year Plan for the importation of substantial stocks of medical equipment. Avram's Spring meetings in the United States likewise revealed that, assuming passage of the Romanian-American Trade Agreement, Romania's planned expansion of the heavy machine building industry could itself result in over 100 million dollars worth of U.S.-Romanian trade in the next two or three years.

The Romanian-U.S. economic and political relationship has therefore grown significantly since 1951 at the time of the Trade Agreements Extension Act denying Romanian MFN. Likewise, Romania's policy of independence and cooperation with all nations has been conspicuous in the trend towards diversity within the Communist World. This growing diversity has made it possible to begin diffusing issues which threaten world peace.

### III. ECONOMIC REASONS FOR EXTENDING MFN TO ROMANIA

Romania has been an excellent market for American exports. Trade with Romania, which just seven years ago totalled 23 million dollars, has grown to a 1974 level of 409 million dollars with significant growth expanding. All the while, the United States has enjoyed a considerable trade balance surplus. The recent figures are as follows:

#### U.S. TRADE WITH ROMANIA

[In millions of dollars]

Year:	Total U.S. exports	Total U.S. imports
1966.....	27	4.6
1967.....	18	6.0
1968.....	17	6.0
1969.....	32	8.0
1970.....	60	13.0
1971.....	53	14.0
1972.....	69	32.0
1973.....	116	55.0
1974.....	278	131.0

Source: U.S. Department of Commerce.

With Most-Favored-Nation treatment, the volume of trade will grow and should continue to be profitable for the United States. Article II of the Trade Agreement itself anticipates "... that the total bilateral trade in comparison with the period

1972-1974 will at least triple over the three-year period of this Agreement." Some feel this figure could exceed one billion dollars annually by 1980.

The United States needs this growth in bilateral trade as does Romania. The international trade situation has changed dramatically in the past two years, underlining the importance of relationships such as the one the United States now has with Romania. The international monetary structure is in disequilibrium. Markets for food and supplies have been disrupted; Western industrial nations face unprecedented deficits.

Though MFN will not make Romania a major U.S. trading partner, Romanian-U.S. trade will be significant and profitable. In 1974 our trade balance revealed a three billion dollar deficit, due primarily to the price jump in petroleum products. Though 65% of Romania's exports to the United States consisted of mineral fuels and lubes, our 1974 balance with Romania revealed a 146.6 million dollar surplus.

Even with the lifting of the discriminatory Hawley-Smoot tariff treatment, this trade relationship is expected to remain profitable for the United States. Under the Five Year Plan, Romania intends to expand foreign trade annually by 11%-13%. Manufactured goods, machinery and transportation equipment accounted for over 35% of our exports to Romania last year. If Romania can acquire more foreign exchange through her exports to this country with Most-Favored-Nation treatment, she will possess the needed resources to import more from the United States in meeting her increased demand for imported capital goods. In short, the Five Year Plan is an opportunity to expand our already substantial market for manufactured products including agricultural technology in Romania in exchange for low labor content items and commodities in short supply like oil.

Our exports are losing out to the more aggressive trade policies of other European and Asian countries. We are losing a market. Denying MFN has stunted the development of our trade with countries such as Romania, relegating the United States to a comparatively insignificant role in the Western trade of the region. American trade accounted for but 6% of Romania's foreign trade with the West in 1974, accounting for roughly 3% overall. MFN and closer economic ties would prevent Romania from having to buy in other markets when it actually prefers United States goods and cannot purchase them owing to a shortage of hard currency and American dollars.

A healthy trade relationship needs reciprocity. One reason for the major expansion of American-Romanian trade has been the pledge, twice made by President Nixon and renewed by President Ford to seek MFN for Romania. The volume of U.S.-Romanian trade tripled in 1970 after President Nixon's initial pledge in 1969. It slumped in 1971, increased in 1972-1973, then skyrocketed again after the Nixon-Ceausescu meeting of December, 1973. Likewise, growth requires the availability of credit. Normalization of relations will mean renewed Export-Import Bank financing of American exports to Romania, curtailed since the passage of the 1974 Trade Act. The Commodity Credit Corporation's experience with financing food sales to non-market economies illustrates the stimulus these credit institutions can provide, as American businessmen seek to compete against government-subsidized packages often offered by foreign competitors. U.S. firms which can offer competitive financing packaging have inherent job-creating potential as demonstrated by the Clark Equipment Company, Control Data Inc. and General Tire International experiences in Romania.

The United States now extends Most-Favored-Nation treatment to Poland and Yugoslavia. This factor, taken with the availability of Export-Import financing, has meant a profitable relationship for the United States, with balances running 2 to 1 in our favor and with Polish-American trade also projected to reach \$2 billion by 1980.

Romania's recent steps to integrate its economy with the world economic system should be reassuring to American industry and to the Congress. She is a member of GATT, the IMF, the World Bank, and now, under Romania's 1971 Foreign Trade Act, permitting equity-type participation in domestic enterprises by foreign investors. New regulations, permits U.S. and other foreign firms to open offices in Romania, have led to the establishment of a Manufacturers Hanover Trust office there. Romania's adherence to the Convention of Paris for the Protection of Industrial Property and the Universal Copyright Convention in Article V of the Agreement on Trade Relations is a further indication of Romania's determination to act as a responsible and reliable trading partner with this country.

The Agreement being considered today by this Committee both promotes the liberal trade objectives of MFN and provides adequate safeguards for American industry and labor. Its Article IV provisions for business facilitation ends informal mechanisms for the promotion of U.S.-Romanian trade, substituting a formal structure which will enable a wider spectrum of American industry to participate. Large corporations can and do trade now. The Agreement, however, by formalizing direct contact between buyers and sellers, providing forums for disseminating information, permitting office and housing accommodations for businesses active in Romania, and by the facilitation of entry and travel by tourists will mean medium and smaller size industries can participate in the Romanian market for American goods as well as additional companies of significant size.

The Agreement sets forth an effective method of safeguarding American industry from market disruption. Article III commits both parties to a consultation procedure, when actual or prospective imports of the other threaten or are causing market disruption in the other country. One party may insist on export restraint by the other party in the absence of an agreement otherwise reached by consultation. The President has a wide range of options under the 1974 Trade Act towards this end. Additionally, should export restraint be inadequate or the 90-day consultation procedure too lengthy, the President may take emergency action under the Agreement (ANNEX 1, Section 1/C) utilizing emergency powers under Section 406 (4d) of the 1974 Trade Act. The Trade Agreement incorporates the 1974 Trade Act's "market disruption" test for determining import relief, broader than the "serious injury test" which applies to goods imported by non-Communist nations. Similarly, Annex 2 commits each nation in assessing "market disruption" to consider the employment situation within the domestic industry—giving effect to the provisions of the 1974 Trade Act which are designed to avoid an adverse impact on jobs.

Finally, Article X ensures that each party shall have the right to take action respecting its national security interest.

#### IV. POLITICAL REASONS FOR EXTENDING MFN

Extending MFN would improve our bilateral relations with Romania, establish a meaningful precedent for future trade with other non-MFN nations in Eastern Europe, and create a more favorable atmosphere for a further relaxation of tension in Europe.

Romania has consistently pursued a policy of independence and cooperation with all countries for several years. The United States should reward and encourage Romania's spirit of cooperation by extending the benefits Romania's leadership foresaw fifteen years ago when our two nations set about shedding the mutual hostility and mistrust which characterized East-West relations generally at the time. Trade is the ideal mechanism for improving relations. Trade has been profitable economically, it stimulates domestic industry, and more importantly, stimulates the exchange of ideas essential to international cooperation and understanding. Our hesitation in approaching agreements of this nature is undoubtedly shared by Romania and her neighbors since the Agreement may have precedential value, and will represent a major step towards the liberalization of relations with Romania. Such steps should be taken cautiously to ensure the benefits run in both directions, and that the integrity of our international position is not compromised.

In the judgement of the East-West Trade Council, this Agreement does reflect a sober balance between our economic self-interest, our principles and the benefits of liberal international trade in general. Romania is an ideal nation with which to test the future of East-West trade, and the means of improving relations. In addition to her policy of independence, Romania's record on emigration indicates a modern attitude towards the issues of free movement of peoples and self-determination. Before World War II, Romania had a Jewish population of 800,000. The Nazi occupation eliminated one-half of this population. 75%, or 300,000 of those remaining were permitted to emigrate to Israel. Romania continues to permit emigration of her Jewish population, and was the sole East European country to maintain diplomatic relations with Israel after the June 1967 War.

Most importantly, our relations with Romania have been steadily improving. Granting MFN would be legitimately construed as a measure of the importance and sincerity which we assign to our friendship with Romania.

## V. CONCLUSION

The Agreement, under the provisions of the 1974 Trade Act, should be approved by Congress at the earliest possible date. This Agreement can be of significant importance to the future U.S. role in East-West trade, and may have precedent value for future trade agreements between the United States and other socialist countries not presently enjoying MFN tariff treatment.

For the reasons briefly stated in this testimony, it is the opinion of the East-West Trade Council that Congress should approve S. Con. Res. 35. On behalf of the Council, we thank the Committee for this opportunity to testify.

## EAST-WEST TRADE COUNCIL

## MEMBERSHIP

ACLI International, Inc., George M. Krieger  
 Ahroni, Kenneth  
 Allis-Chalmers Corporation, D. E. Machenberg  
 American Association of University Women, Ms. Ellen M. McCartney  
 American Cystoscope Makers, Inc., John Chalakani  
 American Importers Association, Gerald O'Brien  
 American International Underwriters Corporation, A. A. W. Joukowsky  
 American Petroleum Institute, Wallace N. Seward  
<sup>1</sup>Amtel, Inc., J. Ottmar  
 Arthur Anderson & Co., Charles A. Bowsher  
<sup>1</sup>Atlanta Corporation, Leon Rubin  
 Avco Corporation, Henry J. Oechler  
 Bank of America National Trust and Savings Association, Scudder Mersman, Jr.  
 Bankers Trust Company, Phillip M. Wilson  
 Bay-Houston Towing Company, W. D. Haden, II  
<sup>1</sup>Berry, Max N., Attorney  
 Bigelow, John O.  
 Borden World Trade, Seymour L. Vladimer  
 Bristol-Myers International Corp., John W. Abel  
 Burroughs Corporation, Donald E. Young  
<sup>1</sup>Busby Rivkin Sherman Levy and Rehm, David Busby  
 Cargill, Inc., Robert R. Fahs  
 Caterpillar Tractor Company, John D. Winters  
<sup>1</sup>The Chase Manhattan Bank, Peter R. Greer  
<sup>1</sup>The Chesapeake and Ohio Railway Co., Cyrus S. Eaton  
<sup>1</sup>Caldwell, John L.--Director, Center for International Business Relations, Chamber of Commerce of the U.S.  
 J. M. Chambers & Company, Inc., Joe Chambers  
 Chilewich Corporation, W. Peter Ronald  
 Christenson, Gordon A. (Dean), Washington College of Law, American University  
<sup>1</sup>Cohen, Jerome Alan (Professor), Harvard Law School  
 Colgate-Palmolive Company, Roderick L. Turner  
 Crostec s.a., Frank McGrew  
 Data Products Corporation, Jack Ogg  
 Deltac Securities Corporation, Richard O'Connell  
 Diamond Shamrock Corporation, C. Thomas Cross  
 El Paso LNG Company, James P. Lister  
 Exxon Corporation, H. J. O'Malley  
 First National Bank of Chicago, William J. Watson  
 First National City Bank, C. R. Clarke  
 Foundry Equipment Manufacturers Association, Marshall Jorpeland  
 Franklin National Bank, Harry P. Barrand, Jr.  
 Garrett Research & Development Co., Inc., Dr. Donald E. Garrett  
 General Electric Company, William W. Hamilton  
<sup>1</sup>General Motors Overseas Operations, Leslie L. Smith  
<sup>1</sup>General Tire International Company, G. W. Fincher  
 Gund, George, III  
 Hyatt International Corporation, A. P. de Tullio  
<sup>1</sup>IBM World Trade Corporation, J. P. Gaughan  
 I D Products Company, Helen A. Miller

Footnote at end of article.

IDK Currency Arbitrators, Richard Kassatly  
 International Minerals & Chemical Corp., Edward W. Claar  
 Independents, Incorporated, Anthony Connor  
 International Pulp Sales Co., Julian A. Dixon  
<sup>1</sup> International Telephone and Telegraph Co., K. J. Vigue  
<sup>1</sup> Intertex International, Inc., Robert Scheuer  
 Island Creek Coal Company, Senator Albert Gore  
 Kaiser Engineers, Sam Ruvkun  
 Kayser-Roth Corporation, Norman M. Hinerfeld  
 The M. W. Kellogg Company, Edward M. Hallinan  
 The Lambert Brussels Corporation, Jonathan T. Isham  
<sup>1</sup> League of Women Voters of the U.S., Ruth J. Hinerfeld  
 Lee, H. K.  
 Litwin Corporation, H. Fred Levine  
<sup>1</sup> Marion Laboratories, Inc., Alfred A. Mannino  
 Maritrop Trading Corporation, W. A. Bussard  
<sup>1</sup> Maynes, Charles W., Director of International Organizations Programs,  
 Carnegie Endowment for International Peace  
 Medical-Surgical Manufacturers Association, Col. W. Vance Breyfogle  
<sup>1</sup> Metzger, Standley D. (Professor), Georgetown University Law Center  
 Miles Laboratories, Inc., Charles V. Owens, Jr.  
 Mobile Oil Corporation, John R. Kendall  
 Motor Vehicle Manufacturers Assn., John Moller  
 Nace Corporation, Kenneth B. Morrow  
<sup>1</sup> National Association of Wheat Growers, Eugene Moos  
 National Bank of North America, Robert O. Lawrence  
<sup>1</sup> National Federation of Grain Co-ops, Glen D. Hofer  
 National Grange, David P. Lambert  
 Norton Company, Robert Cushman  
<sup>1</sup> Pisar, Samuel, Attorney  
 Port Authority of New York and New Jersey, Clifford B. O'Hara  
 Pullman Incorporated, Russell J. MacMullan  
 PROPAK USSR '75, Leif Oxaal  
<sup>1</sup> The Riggs National Bank, L. A. Jennings  
 Ross, Robert  
 St. Charles, David Paul  
 Salans, Carl F., Attorney  
 Scientific Design, Inc., Harry Dennis  
<sup>1</sup> Sobin Chemicals, Inc., Julian M. Sobin  
 State of Minnesota, Bonnie Neubeck  
 State of New Jersey, Joseph F. Brady  
 Steiger Tractor, Incorporated, Jack Johnson  
 C. Jim Stewart & Stevenson, Inc., Calvin D. Hohle  
 Leon Tempelman & Son, Inc., Edmund Pendleton  
 Texas Instruments Incorporated, David E. Varner  
 Tobacco Associates, Inc., Joseph R. Williams  
<sup>1</sup> Tower International, Cyrus E. Eaton, Jr.  
 United California Bank International, Richard C. Capone  
 University Computing Company, Jack Brand  
 Washington Wheat Commission, Scott C. Hanson  
 White, Reider J.  
 Wilson, Edward T. (Dr.)  
<sup>1</sup> Xerox Corporation, Joseph B. Flavin

Senator RIBICOFF. Reverend Galdau, please.

---

<sup>1</sup> Members-Board of Directors.

**STATEMENT OF REV. FLORIAN M. GALDAU, AMERICAN ROMANIAN  
COMMITTEE FOR ASSISTANCE TO REFUGEES**

Reverend GALDAU. Mr. Chairman, and members of the committee, my name is Florian M. Galdau. I am chairman of the American Romanian Committee for Assistance to Refugees and Rector of the St. Dumitru Romanian Orthodox Church of New York City. I am a native of Romania and an American citizen. I have worked for the past 20 years in an ongoing effort trying to help Romanian refugees come to the United States. For this purpose, I have been working closely with other agencies helping refugees, such as the International Rescue Committee, Church World Service, Tolstoy Foundation, U.S. Catholic Conference, HIAS, and others.

As I understand it, the U.S. Government has waived the restrictive clauses of the Foreign Trade Act, submitted by Senator Henry M. Jackson and Representative Charles N. Vanik. Consequently, a trade agreement with Romania was submitted to Congress, an agreement which, if approved, would give Romania the benefits of the Most-Favored-Nations clause.

The New York Times of April 25, 1975 reports that this change of policy in granting the most favored nation's treatment was due to the fact that a very liberal emigration policy was being promoted by the Romanian Government. I do not know on what grounds the American Government is ready to accept this new version of the Communist government of Romania; but I do know that the so-called liberal emigration policy of the Romanian Government does not exist.

Let me respectfully submit to you the following facts, which are relevant in this regard. No. 1, since the end of World War II, only Romanian individuals who were members of the Communist Party in good standing or were in sympathy with the policies of the Romanian Communist government, were granted passports and exit visas for travel abroad to the free world and this on condition that they were to fulfill certain missions with which they were entrusted.

The rest of the Romanian people who managed to get out of Romania and join the Romanians in exile had to resort to leaving Romania illegally or with tourist passports that enabled them to get abroad and then to seek refuge in the West. By and large, such persons were compelled to leave behind, as hostages, members of their families, since tourist visas were seldom granted to an entire family.

Our committee has helped over 3,000 refugees during the past 10 years, in the United States alone. Many others have settled in Sweden, Switzerland, West Germany, Canada, Australia, South America, and Africa. According to Romanian Communist sources, the number of Romanians outside Romania's borders amounts to about 1,500,000 persons. This figure includes the 400,000 Romanians of Jewish origin and a large number of German origin, Greeks, Armenians, and so on, who were permitted to emigrate on ethnical grounds. This liberal

sounding figure is very misleading however. The motives of the Communist government of Romania were not at all humanitarian, but strictly materialistic. The vast majority of those emigres had to donate all their goods and material possessions to the state, before permission to leave Romania was granted. Some of them had been ransomed for large amounts of money.

Through the offices of Mr. Henry Jacobson of London and the Joint Jewish Committee of Geneva, Switzerland, many Romanians of Jewish origin and some Romanians of Christian faith were ransomed out of Romania, by paying \$1,000 to \$2,000 per person and in some cases even larger amounts, depending on the previous social, political or financial status of the persons involved. After 1966, the so-called changed policy of the Romanian Government, with respect to the emigration of Jewish people, was not due to a change of heart but due to the fact that the West German Government had agreed to pay the Romanian Government \$3,000 to \$4,000 per person for each one permitted to leave Romania.

However, whether ransomed or released, due to outside pressure or financial gain in order to be permitted to emigrate, such a person had to forfeit all possessions and could take with him only 60 pounds of clothing and minor possessions, no money, no valuables, no documents, school records, birth certificates, marriage certificates, work records, and so on. One has to present all kinds of certificates, some almost impossible to obtain, from school, work, housing administrations, and so on, before an application for a passport is accepted.

Granted, there are some individuals who do receive passports and visas promptly. These are members of the Communist Party in good standing or those who are entrusted with special missions abroad. Any other person not within these categories never benefits from such promptness. Even professionals, invited or sent to scientific or religious conferences abroad, must leave their family behind in Romania to ensure the return of the traveler.

Article 13 of the Universal Declaration of Human Rights, of which Romania is one of the signatories, stipulates that No. 1, everyone has the right to freedom of movement and residence within the borders of each state, and that No. 2, everyone has the right to leave any country, including his own, and to return to his country. In spite of the above provisions, the Romanian Government has never respected its own agreements with various governments concerning the reunion of families, except when it serves the propaganda interests of Romania or their financial interests.

Commencing with the year 1970 to date, our committee has submitted to the U.S. State Department three lists of persons, whose release was sought by their relatives here in the United States. These lists eventually were received by the Romanian Communist government through the American Embassy in Bucharest. Out of 50 people on the first list of October 10, 1970 only 39 have arrived; out of 104 people on the second list of November 16, 1973 only 31 have arrived; 73 are still in Romania. Out of the third list of 1974 of 54 persons, none have received an exit visa from the Romanian Government.

Among these people are a number of American-born citizens, who have tried unsuccessfully to get out of Romania for the past 5 or 6

years, or American citizens here, who have tried to bring their relatives from Romania, and their efforts were in vain. In one instance an American citizen who wanted to bring to this country his relatives, who have Iranian passports but are now residing in Romania, has not succeeded because the Romanian Government refused to let them go. Out of the 28 refugees to this country, newly arrived since January 1975 to date, none was able to obtain a valid passport. All had made their way out of Romania either as tourists or illegally. One of them crossed on foot from Romania to Greece; others have come in equally unusual ways, proving beyond a doubt that the Communist government of Romania is one of the most rigid police states in all of Eastern Europe.

Here in the United States, the Embassy of the Romanian Socialist Republic is attempting to infiltrate through its various Communist agents our parishes, members of our congregations and various Romanian-American organizations, coercing the newly arrived refugees into becoming their agents. The refugees here are faced with a choice of presenting themselves at the Embassy to either renounce their Romanian citizenship at a cost of \$201 per person, or to accept valid Romanian passports as Romanian citizens working abroad for 10 years. Only after such a choice is made will their applications for reunion of their families even be taken into consideration. This does not give any assurance of any action; people wait months, even years afterwards for permission for their families to join them here.

If Romania wants to be a beneficiary of the American policy of goodwill, its government is morally obligated to respect its responsibilities and obligations resulting from article 13 of the 1947 Paris Peace Treaty and from the Universal Declaration of Human Rights, as well as the Consular Convention of 1973.

In view of all the above, we respectfully submit that the American Government, which is one of the signatories of the 1947 Paris Peace Treaty, and the recently Consular Convention, before entering into any new agreements with Romania should take the necessary steps and demand that the Romanian Government respect and perform its obligations, undertaken under previous agreements and that it should not approve the new trade agreement, unless the Romanian Government should cease any Communist propaganda in U.S.A., including its infiltration among the American citizens of Romanian origin and among the legally accepted newly arrived Romanian refugees to this country.

Thank you for giving me the opportunity to submit to you for your consideration and determination, our views in connection with the bill, which is pending before you.

Senator Ribicoff. Thank you, Reverend Galdau. Your testimony is very interesting. And you highlight what has always been our contention, that when we are talking about emigration, we are not just talking about people of the Jewish faith. It was always the intention of Senator Jackson, even though it was constantly reiterated that this was the problem of Jewish emigration, we were talking about the emigration of all people.

I have looked at your list of people who you are trying to bring from Romania, and I am assuming most of these are Christians?



Reverend GALDAU. Yes; that is correct. Only a very few cases, two or three are Jewish.

Sentator RIBICOFF. Well, most of them are Christians?

Reverend GALDAU. That is correct.

Senator RIBICOFF. What strikes me as I come down here is the separation of families. I see here a son, 14 years of age, a daughter 13, a son 10 years, a daughter 9, a daughter 7. I just take them at random as I go down your list—a son of 2 years of age, daughter 14 years, a daughter 13, a son 8 years, a daughter 3 years, a daughter 10 years, a daughter 7 years, a daughter 6 years. What are the circumstances? A father or mother come over here, and they have children in Romania, they are trying to bring their children. Are these families being split up by Romania's emigration policies?

Reverend GALDAU. Most of these people were forced to leave their families behind as hostages, and they have been trying—there are cases, for instance, for the last 8 years—trying to bring children to this country. The American Government has done everything in their power to help these persons, but the Romanian Government refuses to let these children come to join their families here.

In one instance, for instance, we had a hunger strike about 2 months ago. There were two girls involved, one 9 years of age and the other 11 years of age, and for months and months and months the Romanian Government had to fight with these two girls, in order to get them to renounce their citizenship and invite their parents back to Romania. This is most unbelievable, but these are the facts, and therefore, we have a lot of problems.

For instance, I have an American citizen born here in the United States and he tried for the last 6 years to get out of Romania with his family, and the Romanian Government refused to let them out.

Senator RIBICOFF. Even though he is an American citizen?

Reverend GALDAU. Although he is an American-born citizen.

I have a Jewish man who is a born American and he is a vice president of B'nai B'rith organization in New York, and for the last 8 years, he is trying to bring his sister-in-law and brother-in-law for a short visit, because she is a very sick and very unfortunate lady, and the Romanian Government refuses to let them come. It is unbelievable for most of us because if they are politicians, they should know a little bit better than that. Why fight with children?

I have this case of this child of 2 years old. We have done everything, and the family went to the Legation and so on. In spite of leaving these children, they will not allow these children to come unless the parents accept to become their agents, to infiltrate among our own organizations and to do all kinds of services and so on.

What we request from the Romanian Government is very simple. As American citizens, we want the Romanian Government to let us alone, let us in peace, and do not infiltrate among our own organizations and among our own parishes, and among our own people. It is unbelievable the way they act, and especially recently. They have become very aggressive, and the American Government must know of this, because I do not know why they should treat these people the way they treat them.

Senator RIBICOFF. Senator Dole.

Senator DOLE. I agree with the statement of the chairman. I think it is a very good statement, and in your statement you indicate many have been ransomed out of Romania, at the cost of anywhere from \$1,000 to \$2,000 to \$3,000 or \$4,000. Is that a widespread practice or are those just limited instances you refer to?

Reverend GALDAU. Yes! It is a widespread practice.

Senator DOLE. Now, who are the "they" you are talking about?

Reverend GALDAU. The Romanian Government.

In my case, for instance, I had to wait 16 years until I was able to bring my wife and my children out of Romania, and they tried to do everything in their power to change me and to ransom as much as they could and so on. So there are so many cases similar to that. They will not accept anyone to get out of Romania unless they are materially interested in that case.

For instance, the Jews—they had to pay so much ransom. And when they left they were not allowed to take anything except the clothes on their backs. And it is something which is unbelievable, but that is the way they treat people. They do not respect the human rights, they do not respect the Paris Treaty of 1947, and they do not respect the Consular Convention which was signed 3 years ago. What is the use of signing another agreement with them if they do not respect their own signature?

We are not against that the Government of America do whatever they want as far as the economical aspect is concerned, but as far as the humanitarian aspect of the whole problem, it is a very, very strange one, and a very serious one too.

Senator DOLE. But you were saying that as far as you were concerned it is a normal practice to ransom people and also to take their possessions when they leave Romania. Is that a normal practice as far as you can determine?

Reverend GALDAU. Definitely. We have a case of an engineer who is now in Philadelphia. The last 3 years the Romanian Government negotiated, with this gentleman, and they asked first \$15,000, and I advised him to get in touch with the American Embassy in Bucharest because they wanted it in cash, and eventually he paid \$8,000 out of the \$15,000. They bargained until they accepted it, and, after accepting the \$8,000 in cash in Bucharest, and I was afraid that something might happen to this young man, his brother-in-law went to Bucharest, and I told him, now, look, if you go there please go first to the American Legation and tell them exactly what is your purpose here because they could find a way to jump you and to throw you in the river immediately and take your money. You have to be careful when you carry \$8,000 in cash in your pocket, and you are to deal with a representative of the Romanian Government, and the Romanian Government is aware of this because nobody in Romania can do anything without the approval of Mr. Ceausescu, who is the President of the Romanian Government.

Senator DOLE. I appreciate your comments and I think I understand that you feel that, while you do not quarrel with the agreement, you feel there is not a liberal emigration policy and never has been. It has all been based on some materialistic gain for the Romanian Government, the Communist Government.

Reverend GALDAU. That is right.

Senator DOLE. Thank you.

Senator RIBICOFF. Thank you very much, sir.

[The following material was submitted by Reverend Galdau:]

THE AMERICAN ROMANIAN COMMITTEE FOR ASSISTANCE TO REFUGEES (ARCAR)  
UNDER THE SPONSORSHIP OF THE ROMANIAN ORTHODOX EPISCOPATE OF AMERICA  
& UNION AND LEAGUE, R.S.A., INC.

Within the last few years our Committee was able to bring to this country over 3,000 Romanian refugees of all ethnical origins. Most of these refugees came out of Romania without a valid Romanian passport or illegally. At first, they were brought in as conditional entrants, and after a period of 2 years they became permanent residents, and after 3 years American citizens. With a very few exceptions—old-age or sick persons—none of them is on welfare. On the contrary, they managed to integrate themselves within the American way of life—most of them working in their own professions, as follows:

	Percent
Farm laborers, 81-----	2.7
Cooks, 90-----	3.0
Tailors, 111-----	3.7
Engineers (misc.), 251-----	8.4
Technicians (misc.), 419-----	14.0
Attorneys, 68-----	2.3
Medical doctors, 94-----	3.1
White collar (clerks and economists), 235-----	7.8
Nurses (male and female), 40-----	1.3
Professors (misc.), 58-----	1.9
Skilled workers, 287-----	9.6
Housewives, 355-----	11.8
Artists, 30-----	1.0
Sportsmen, 19-----	0.6
Cosmeticians and barbers, 14-----	0.5
Unskilled workers, 239-----	8.0
Military people, 4-----	0.01
Students (misc.), 210-----	7.0
Unclassified, 393-----	13.3
Total -----	100.00

The Very Rev. FLORIAN M. GALDAU.

THE AMERICAN ROMANIAN COMMITTEE FOR ASSISTANCE TO REFUGEES (ARCAR)  
UNDER THE SPONSORSHIP OF THE ROMANIAN ORTHODOX EPISCOPATE OF AMERICA  
& UNION AND LEAGUE, R.S.A., INC.

NAMES OF PERSONS WHOSE RELEASE IS SOUGHT FROM THE SOCIALIST REPUBLIC OF  
ROMANIA

1. Name: Artinian, Armand, 1011 Lake Shore Drive, Parsippany, N.J. 07054.  
Persons involved: Alice Mateescu, mother, 45 years; Gheorghe Mateescu, step-father, 50 years; Gino Mateescu, step-brother, 13 years. Str. General Salmen No. 28, Sect. 3, Bucuresti.

2. Name: Babu, Petrica: Permanent Resident. 3120 Kingsbridge Avenue, Bronx N.Y. 10463.

Persons involved: Ionel Babu, son, 24 years. Str. Farsari No. 16, Pipera, Sector 2, Bucuresti.

3. Name: Badea, Ionel: Permanent Resident 628 E 17th St., Brooklyn, N.Y. 11226.

Persons involved: Stela Badea: sister. Str. Mercani No. 90, Sect. 8, Bucuresti, Romania.

4. Name: Badin Maria: Arrived in USA: Jan. 16, 1969. 44 Route 25 A Smithtown, N.Y. 11787.

Persons involved: Calin Gramaticu: son, 14 years. c/o Tiberiu Perian, Intrarea Ion Sulea No. 12, Bloc 17, Scara F, Apt. 78, Bucuresti Sector 4, Romania.

5. Name: Baduna, Theodor: Arrived in USA: Dec. 11, 1974. 1517 Jefferson Avenue, Ridgewood, N.Y. 11227.

Persons involved: Dana-Tamara Baduna, daughter, 13 years. George-Marius Baduna, son, 10 years. Adriana-Natalia Baduna, daughter, 9 years. Carmen-Irina Baduna: daughter, 7 years. Str. Ghirlandei No. 32, Bloc 78, Ap. 47, Sc. III, Et. I, Sector 7 Militar, București, Romania.

6. Name: Balos, Pavel. Arrived in USA: Nov. 12, 1968. Arcadia, California 92804.

Persons involved: Aurelia Balos, 53 years; Simion Balos, 52 years. Satul Crai-Nou No. 249, Județ Timis, Romania.

7. Name: Boghdignian, Lucia: American Citizen. 31-68-32nd St. Astoria, N.Y. 11106.

Persons involved: Misan Melikian, father, 86 years; Vartan Melikian, brother, 50 years; Maria Melikian, sister-in-law, 40 years; Denise Melikian, niece, 8 years; Oshian Melikian, brother, 40 years; Zoe Irina Melikian, 37 years. Str. Silozului No. 10 Craiova (all have Iranian Passport. For the last 8 years).

8. Name: Burcus, Irina. Arrived in USA; Nov. 13, 1973. 24-19-41st St. Astoria, N.Y. 11103.

Persons involved: Mihai Burcus, husband, 47 years; Str. Snagov No. 50, Sect. 1, București, Romania.

9. Name: Cacuci, G. Dan. 542 W. 112th St., Apt. 84, New York, N.Y. 10025.

Persons involved: Gabriela, Cacuci, wife, 22 years; Str. Viorele No. 66 (Colț Elena Cuza 91), București Sector 5, Romania.

10. Name: Calin, Eugen. 43-47 44th Street, Long Island City, New York, N.Y. 11104.

Person involved: Lucia Calin, wife, 48 years; Hortensia Calin, daughter, 25 years; Horia Calin, son, 24 years; Str. Dr. Petru Groza No. 9, Cluj, Romania.

11. Name: Carbunescu, Maria. Arrived in USA: Jan. 23, 1975. 1823 Cornelia St., Ridgewood, N.Y. 11227.

Persons involved: Danuț Carbunescu, son, 23 years; Elena Carbunescu born Searlat, daughter-in-law, 23 years; George-Andrei Carbunescu, nephew, 5 months. Str. Izvorul Crișului No. 9, Bloc A6, Scara D, Etaj IV, Apt. 59, Berceni Sud 5, București, Sector 5, Romania.

12. Name: Carmocanu, Florea. Arrived in USA: July 10, 1974. 45-26 44th St. Apt. 2A, Sunnyside, N.Y. 11104.

Persons involved: Otilia Carmocanu, wife, 26 years; Ovidiu Carmocanu, son, 2½ years. Str. Gheorghiu Dej No. 8, Lugoj, Jud. Timis, Romania.

13. Name: Chiras, Nicolae. Arrived in USA: June 12, 1973. 30-36 34th Street, Astoria, N.Y. 11103.

Persons involved: Mariana Chiras, daughter, 20 years; Rodica Chiras, daughter, 16 years; Aura Chiras, daughter, 12 years. Str. Octavei No. 2, Apt. 120 București, Romania.

14. Name: Costache, Silvia.

Persons involved: Vasile Costache, husband, 62 years; Cristian Costache, son, 24 years. Str. Câmpia Turzii No. 19, Bucuresti Sector 1, Romania.

15. Name: Cofan, Eugene. Arrived in USA: Jan. 16, 1974. Box #514, Rd. 1, Valley View Road, Eighty Four, Pennsylvania 15330.

Persons involved: Maria Cofan, wife, 31 years; Daniela Cofan, daughter, 10 years; Eugenia Cofan, daughter, 5 years. Str. Aleia Calatis No. 10, Sector 7, Bloc D-8, Scara 8, Spt. 71, Drumul Taberei, București, Romania.

16. Name: Craciun, Gheorghe. Arrived in USA: Sept. 12, 1972. 41-29 46th Street, Apt. 3R, Sunnyside, N.Y. 11104.

Persons involved: Magdalena Craciun, wife, 32 years; Adriana Craciun, daughter, 6 years. Alea Alorului No. 4 Bloc AS, Apt. 5, Berceni Sud I Sector 5, București, Romania.

17. Name: Crainiciuc Zaharia. Arrived in USA: Dec. 18, 1974. 2033 78th Str. Brooklyn, N.Y. 11214.

Persons involved: Maria Crainiciuc, wife, 45 years; and 2 children. Str. Agata Bărsescu No. 19, București, Sect. 4, Romania.

18. Name: Crisan, Olivin. Arrived in USA: Sept. 19, 1973. c/o Mihail Pavel, 25-11 34th Street, Astoria, N.Y. 11103.

Persons involved: Lucia-Victoria Crisan, wife, 29 years. București, Romania.

19. Name: Dr. Cristescu, Teodor. 370 Ridelle Avenue, Apt. 21-04. Toronto, Canada (Ontario).

Persons involved: Elena Cristescu, wife, 38 years; Laurentiu Cristescu, son, 17 years. Str. Poiana Narciselor No. 14, Apt. 5, Sector 4, București, Romania.

20. Name: Cuculici, Vergel. Arrived in USA: Feb. 18, 1975. 1913 Cornelia St., Ridgewood, N.Y. 11227.

Persons involved: Floarea Cuculici, wife, 31 years; Anca Cuculici, daughter, 7 years. Str. Aevernei Bloc 59, Apt. 21, Cluj, Romania.

21. Name: Dragalina, Ioana. Arrived in USA: June 30, 1971. 3535 Rochambeau Ave., Apt. 5J, Bronx, N.Y. 10467.

Persons involved: Virgil Dragalina, father, 83 years, (only for a short visit). Str. Cosmonautilor No. 19, Bucuresti, Sector 1, Romania.

22. Name: Dima, Nicholas, American Citizen. 780 Riverside Drive #11DD, New York, N.Y. 10032.

Persons involved: Marieta Georgescu, sister, 32 years; Florin Georgescu, brother-in-law, 34 years; Diana Georgescu, niece, 7 years. Str. Eufrosin Poteca No. 4, Bucuresti, Sector 3, Romania.

23. Name: Drincianu Stelian, American Citizen. 66-05 Hellotrope Ave., Bell, California 90201.

Persons involved: Constanta Drincianu, sister, 31 years. Bd. 1 Mai Vest Bloc II, Sc. I, Apt. 1, Tg. Jiu, Gorj, Romania.

24. Name: Drocan, Sanda. Arrived in USA: Oct. 27, 1969. 35-63-83 Street, Jackson Heights, N.Y. 11372.

Persons involved: Radu Dumitru Marvan, brother, Felicia Ecaterina Stauceanu, mother. Str. Sf. Mina No. 11, Sector 4, Bucuresti, Romania.

25. Name: Dr. Ene, Paulina. Arrived in USA: Oct. 28, 1971. Far Rockaway, Apt. R109, New York, N.Y. 11691.

Persons involved: Coriolan Ene, son, 21 years. Str. Solmos No. 5A, Timisoara, Romania.

27. Name: Fanous, Anca Maria, Permanent Resident. 102-55 67th Road, Forest Hills, N.Y. 11375

Persons involved: Silvia Stolcescu, 59 years; Valentina Stolcescu, 29 years. Str. Calusei No. 40, Bucuresti Sector 3, Romania.

28. Name: Fara Gheorghe: Arrived in USA 1973. 1031 Hamilton St., Somerset, N.J. 08873

Persons involved: Alexandra Meleasa: mother, 57 years. Str. Siret No. 15, Bucuresti, Sector 8, Romania.

29. Name: Folescu Cristian: Arrived in USA: Feb. 18, 1975. c/o R. Carmocanu, 45-26-44th St., Apt. 24, Sunnyside, N.Y. 11104

Persons involved: Mariana Folescu, wife, 25 years; Simona-Lavinia Folescu, daughter, 4 years. Microralon 2, Bloc 5B, Scara 1, Apt. 5, Resita, Jud. Caras Severin, Romania.

30. Name: Gherghe George: American Citizen. 27600 Franklin Road, Apt. 422, Southfield, Mich. 48076.

Persons involved: Angela Gherghe: wife, 41 years; Dan. M. Gherghe, son, 14 years. Str. Levantical No. 1, Bucuresti, Sector 1, Romania.

31. Name: Goetu, Emil: American Citizen. 736 Clyde Street, Akron, Ohio 44310.

Persons involved: Margareta Hiesler: mother-in-law, 80 years (for short visit). Str. Avram Iancu No. 5 Deta, Județ Timiș, Romania.

32. Name: Goga, Ivan: Permanent Resident. Mobil Park, Lot 72, Carteret, N.J. 07008.

Persons involved: Florica Goga, wife, 50 years; Ruxandra Goga, daughter, 21 years. Str. Secuilor No. 33, Et.I, Sector 5, Bucuresti, Romania.

33. Name: Hristescu, Hariton: Arrived in USA: 1970. 380 Riverside Drive, New York, N.Y. 10025.

Persons involved: Jean Hristescu: father, 58 years. Str. Alexandru Moghioros No. 20, Drumul Taberei, Bloc O.D.I. Scara 2, Apt. 80 Et.9, Bucuresti, Sector 7, Romania.

34. Name: Illes, Maria: Arrived in USA: March 6, 1969. 1263 Park Ave, Apt. 6A, New York, N.Y. 10029.

Persons involved: Anexandru-Gheorghe Barutia: son, 31 years; Maria Barutia: daughter-in-law, 26 years; Ionuț Barutia: nephew, 8 months; Della R. Barutia-Popa: daughter, 28 years; Gheorghe Popa: son-in-law, 31 years. Str. Hrisovului No. 13, Bloc D3, Apt. 7, 8 Bucuresti, Romania.

35. Name: Ionescu, Carmen Maria: Arrived in USA: April 10, 1974. 150 West 76th Str., New York, N.Y.

Persons involved: Cristiana Salvetlu: daughter, 21 years. Str. Dambovnicul No. 10 Bucuresti, Sector 5, Romania.

36. Name: Iosipovici-Ponta, Ana Mariana: Arrived in USA: Oct. 8, 1974. 18-60 52nd St., Brooklyn, N.Y. 11204.

Persons involved: Renel Iosipovici-Ponta, 35 years. Str. Bujoreni No. 43, Bloc P 13, Scara H. Et. II, Apt. 149, Sector 7, Bucuresti, Romania.

37. Name: Jurnalov, Ivan.

Persons involved: Lilliana-Ivonetta Jurnal, wife, 28 years; Calin-Dumitru Jurnal, son, 8 years. Str. Avram Iancu No. 16 Apt. 20, Sector 3, Bucuresti, Romania.

38 Name: Kapikian, Angela: American Citizen. 43-30 46th Str. Sunnyside, L.I.C., New York, N.Y. 11104.

Persons involved: Valercia Nita, father, 64 years; Alexandrina Nita, mother, 64 years; Gheorghe Nita: brother, 28 years; Manuela Nita, niece, 4 years; Alexandrina Nita; sister-in-law, 26 years; Angela-Teodora Nita, niece, 9 months. Str. Ramuri-Tei No. 31 Sector 2 Bucuresti, Romania.

39. Name: Lascu Marcel: Arrived in USA 1973. 227 Devoe Street, Brooklyn, N.Y. 11211.

Persons involved: Helena Lascu, wife, 37 years; Adriana Lascu, daughter, 11 years; Catalin Lascu, son, 5 years. Str. Suceava, Bloc C V, Apt. 185 Scara GI Tomis-Nord, Jud. Constanta, Romania.

40. Name: Lau Nicolae: Arrived in USA Oct. 23, 1973. 362 Riverside Drive, New York, N.Y. 10025.

Persons involved: Aurelia Lau, wife, 32 years; daughter Lau, 7 years. Str. Karl Marx No. 79, Arad, Romania.

41. Name: Lipan Raducan: Arrived in USA; Feb. 26, 1975. 42-02 Klissena Blvd. Flushing, N.Y. 11355.

Persons involved: Gheorghita Lipan, son, 2. Str. Industriei No. 100, Braila, Romania.

42. Name: Liuba Aurel: American Citizen. 572 56th St. West New York, New Jersey 07093.

Persons involved: Longhin Osan, brother-in-law, 34 years; Lucretia Osan, sister-in-law, 32 years; Angela Osan, niece, 4 years. Str. Victoriei Bl. 75 Ap. 66 Bala Mare, Maramures, Romania.

43. Name: Maftel, Aurel: Arrived in USA: April 11, 1972. 1825 George St. Ridgewood, N.Y. 11227.

Persons involved: Adrian Maftel, son, 21 years; Elena Maftel, daughter, 23 years; Blvd. Metalurgiei No. 15 Bl, R 13 Apt. 27 Et. VI, Sector 5 Bucuresti, Romania.

44. Name: Manta Constantin: Permanent Resident. 414 Onderdonk Ave., Brooklyn, N.Y. 11237.

Persons involved: Maria Manta, mother, 61 years. Soseaua Stefan cel Mare No. 166, Bucuresti 10, Romania.

45. Name: Marcu Vasile: Arrived in USA: Nov. 24, 1974. 224 Bleecker St., Brooklyn, N.Y. 11227.

Person involved: Cristina Marcu, daughter, 14 years; Ligia Marcu, daughter, 13 years; Leonard Marcu, son, 8 years. Str. Piata Unirei No. 2 Scara B, Et. 6, Ap. 36 Iasi, Romania.

46. Name: Marinescu Nicolae: American Citizen. 100 Diplomat Drive, Apt. 4D, Mount Kisco, N.Y. 10549.

Persons involved: Alexandrina Marinescu, mother, 70 years. Str. Labirint No. 122. Bucuresti, Romania. (Made 5 requests for a visit to her son; always refused).

47. Name: Mihailovici Alexandru: Arrived in USA: March 18, 1974. 227 Devoe St. Ap. 5 New York, N.Y. 11211.

Persons involved: Vasilica Mihailovici, wife, 37 years; Alexandru Mihailovici, son, 13 years; Marko Mihailovici, son, 5 years. Str. Dr. Demosthene No. 9, Sector 6 Bucuresti, Romania.

48. Name: Moisidis, Manuela: Permanent Resident. 564 East Broadway, South Boston, Mass. 02127.

Persons involved: Luminita Slavesu: sister, 21 years.

49. Name: Moldovan, Dan: Arrived in USA: April 15, 1971. 601 West 115th St., Apt. 71 A, New York, N.Y. 10024.

Persons involved: Ioan Moldovan, father, 60 years; Eugenia Moldovan, mother, 60 years. Str. Stefan cel Mare No. 45 A, Sibiu, Romania.

50. Name: Moroaica Marioara: Arrived in USA: Nov. 24, 1971. 60-64 Carmelita Ave., Apt. B. Huntington Park, California 90255.

Persons involved: Horia Moroaiica: brother, 30 years. Str. Cameliei No. 70 Bl. 56 Apt. 22 Et. II, Ploiești, Romania; Nicolai Moroaiica: brother, 26 years. Intrarea Ion Sulea No. 22 Bl. I, 17 Scara 2, Apt. 95 Sector 4 București, Romania.

51. Name: Naum Bogdan: Arrived: July 1, 1970. 400 Moore Ave., Apt. 2 U, Mount Kisco, New York, N.Y. 10549.

Persons involved: Dr. Gheorghe Naum: father, 75 years; Zinica Naum: mother, 68 years. Str. Valeriu Braniște No. 48 Sect. 4, București, Romania. (Both want to come for a short visit).

52. Name: Nenu Alexandru: Arrived in USA: June 11, 1974. 2033-78 St., Brooklyn, N.Y. 11214.

Persons involved: Ecaterina Nenu and Children. Str. Natașiei No. 69, Sector 8 București, Romania.

53. Name: Dr. Pacuraru, Radu: Arrived in USA: June 30, 1968. 9 Montgomery Village, Danville, Pa. 17021.

Persons involved: Mihnea-Calin Pacuraru: son, 6 years. c/o Mrs. Elena Puiu Str. Hateg-Bloc-Lama G, Apt. 14, Cluj, Romania.

54. Name: Palamaru, Valerian. 48-50 27th St. Apt. 7K, Sunnyside, N.Y. 11101.

Persons involved: Galina Palamaru Georgescu, sister, 38 years; Petronius Georgescu, brother-in-law, 40 years; Monica Georgescu, niece, 8 years; Simona Georgescu, niece, 6 years; Ilie Palamaru, father, 80 years; Nina Palamaru, mother, 76 years. Comuna Movilița Județul Hfov, Raion Urziceni, Of. Poștal Fierbinți, Romania.

55. Name: Panaitescu Ana: Arrived in USA: Jan. 16, 1973. 221 Norman Street, Bridgeport, Conn. 06605.

Persons involved: Eugen-Gabriel Panaitescu: husband, 34 years. Str. Alexandru Balaceanu No. 4, București, Romania.

56. Name: Pandele Corneliu: Arrived in USA. 8-15 27th Ave. & 9th St., Astoria, N.Y.

Persons involved: Elena Pandele: wife, 25 years. Blvd. Tomis No., 326, Apt. 74, Constanța, Romania.

57. Name: Pandaru Ion: Arrived: Jan. 4, 1974.

Persons involved: Draghița Pandaru, 27 years. Comuna Macea, Jud. Arad, Romania.

58. Name: Pascalide, Constantin: American Citizen. 36-26 29th Street, Astoria, N.Y. 11106

Persons involved: Chiriac Pascalide, father, 67 years; Ecaterina Pascalide, mother, 62 years; Grigore Pascalide, brother, 36 years; Filoftea Pascalide, sister-in-law, 30 years; Lorică Pascalide, niece, 3 years. Str. Anton Nișescu No. 34, Constanța, Romania.

59. Name: Peru, Gheorghe: 2150 Wallace Ave., Apt. 4N, Bronx, N.Y. 10462.

Persons involved: Maria Draganescu, wife, 37 years. Str. Crinul de Padure No. 3, Bloc G6, Scara A, Et. II, Ap. 23, Sector 7, București, Romania.

60. Name: Petre, Angela: Arrived, Aug. 23, 1972. 34-49 81st Jackson Heights, N.Y. 11372

Persons involved: Ion Petre, husband, 32 years; Adrian Petre, son, 5 years; Valentin Petre, son, 4 years. Comuna Sacueni, Jud. Dâmbovița, Romania.

61. Name: Petrescu, Camil: Permanent Resident, 325 East 34th Street, New York, N.Y. 10016

Persons involved: Eugenia Marian-Valceanu, mother, 49 years; Dumitru Valceanu, step-father, 41 years; Ion George Valceanu, step-brother, 8 years. Str. Camil Petrescu No. 3, București, Romania.

62. Name: Petrescu, Gabriel: Arrived Nov. 17, 1971. 1758 Eastburne Avenue, Bronx, N.Y. 10457

Persons involved: Leonard Petrescu, son, 22 years. Str. Arad No. 3, București, Romania.

63. Name: Petrascu, Nicolae: American Citizen. 38 Moulton Ave., Dobbs Ferry, N.Y.

Persons involved: Miralena Petrascu Mortun, sister, 47 years; Sorin Mortun, nephew, 24 years. Str. Bujoreni No. 7, Scara II, Ap. 40, Sector 7, București Romania. Maria Cofocaru Bulandra, sister-in-law, 48 years. Prelungirea Blvd. Ghencea No. 12, Bloc #R2, Scara A, Et. 6, Ap. 28, București, Romania.

64. Name: Dr. Popa, Aurelia: American Citizen. 63-03 Fr. Hamilton Pkway, Brooklyn, N.Y. 11219

Persons involved: Octavian J. Popa, București, Romania (for the last 8 years has been trying everything in order to bring her only son—to no avail to date)

65. Name: Popa, Gheorghe. 261 Laurel Avenue, Bridgeport, Conn. 06605

Persons involved: Paraschița Popa, wife, 41 years; Florin Popa, son, 10 years. Str. Principatele Unite, Sibiu, Romania.

66. Name: Popa, Moise: Arrived August 20, 1972. 11-026 York Avenue, Apt. #E, Hawthorne, Los Angeles, California 90250

Persons involved: Viorica Popa, wife, 28 years; Dorin Popa, son, 9 years; Marinela Popa, daughter, 7 years; Adriana Popa, daughter, 6 years. Str. Valenii de Munte No. 27, Elisabetan Timișoara, Romania.

67. Name: Popa-Gemanaru Vasile: Arrived in USA: Sept. 5, 1973. 345 West 86th Street, c/o Dexter Hotel, New York, N.Y. 10024.

Persons involved: Mihaela, Popa-Gemanaru, wife, 23 years; Luminița Popa-Gemanaru, daughter, 3 years. Str. 6 Martie No. 40, Galați, Romania.

68. Name: Popescu, Marioara Livia: Arrived Nov. 13, 1973. 1030 Seneca Ave., Ridgewood, N.Y. 11227

Persons involved: Miron Popescu, husband, 52 years; Alexandrina Popescu, daughter, 11 years. Blvd. Ion Sulea No. 53-57 Bloc No. 3, Scara 2, Et. 7, Apt. 85, Sector 4, București, Romania.

69. Name: Puscas, Vasile: Arrived in USA: July 11, 1973, 2622 W. Logan Blvd. Chicago, Ill. 60647

Persons involved: Maria Puscas, wife, 33 years; Mihaela A. Puscas, daughter, 7 years. Str. Victoriei No. 73/23 Baia Mare, Romania.

70. Name: Rauta, Constantin: Arrived in USA: Nov. 24, 1973. P.O. Box 5563, Washington, D.C. 20016

Persons involved: Ecaterina Gabriela Rauta, wife, 27 years; Mihai Catalin Rauta, son, 2 years. Str. Alexandru Moghioros No. 32, Bloc A 11, Scara F., Ap. 90, Sector 7, București, Romania.

71. Name: Roibu, Marioara: Arrived Dec. 19, 1972. 221 Norman St., Bridgeport, Conn. 06605

Persons involved: Constantin Roibu, husband, 36 years. Str. 13 Decembrie No. 20 A, Bloc 18 A, Scara B, Etaj I, Apt. 29, București Sector 7.

72. Name: Sandulescu, Stefan. 48-50 37th St., Apt. 7N, Sunnyside, N.Y. 11101

Persons involved: Pepi Eidinger Patancius, sister, 45 years; Aristide Patancius, brother-in-law, 45 years; Daniel Patancius, nephew, 23 years; Anca Patancius, niece, 22 years; Stefan Brechea, brother, 48 years; Constanța Asador Brechea, sister-in-law, 45 years. Soseaua Viilor No. 79, Sector 5, București. Patancius family reside at: Str. Unității No. 68, Sector 3, București, Romania.

73. Name: Sarkissian, Elena: American Citizen. 71-16 Clinton Road, Upper Darby, Pa. 19082

Persons involved: Ion Benni, brother, 60 years. Str. Reconstrucției No. 10, Apt. 228, București.

74. Name: Schiau, Dorotea. 34 Kendal Avenue, Maplewood, N.J. 07040

Persons involved: Marilena Zipser, mother. Str. Luminii No. 5, Ploiesti, Romania.

75. Name: Sirbu, Sylvia: Arrived Sept. 10, 1969. 323 East 52nd Street, New York, N.Y. 10022

Persons involved: Ecaterina Sirbu, mother, 73 years. Str. Alexandru Campeanu No. 38, București, Romania. (Only for a short visit).

76. Name: Smantanescu, Lucia: American Citizen. 165 West 66th St., Apt. 10E, New York, N.Y. 10023

Persons involved: Cornelia Maioreseu Cocias, daughter, 37 years; Radu Cocias, nephew, 4 years. Calea Floreasca No. 9-11, Apt. 25, Et. II, București, Romania.

77. Name: Soreanu, Constantin: Arrived May 31, 1973. 147 Freeman St., Brooklyn, N.Y. 11222

Persons involved: Stefania Soreanu, wife, 27 years; Marius-Bogdan Soreanu, son, 2 years. Str. Labirint No. 19, București, Sect. 4.

78. Name: Sotarca, Gheorghe: Permanent Resident. 33 Wedgewood Drive, Apt. 33 B, Carteret, N.J. 07008

Persons involved: Aurica Sotarca, wife, 21 years; Loreta Sotarca, daughter, 4 years. Str. Faurei No. 1, Bloc P 11, Etaj 8, Apt. 248, București, Romania.

79. Name: Stan, Gheorghe: Arrived in USA Apr. 28, 1971. 628 E 17th St., Apt. S 21, Brooklyn, N.Y. 11226

Persons involved: Carmen Stan, daughter, 10 years. Str. Magistrala Nord-Sud No. 16 Scara 4, Etaj 5, Ap. 120 Sector 5, București, Romania.

80. Name: Stanescu, Vlad. Arrived in USA: Aug. 13, 1969. P.O. Box 1951, Grand Central Station, New York, N.Y. 10017

Persons involved: Gheorghe Valentin Al. Stanescu; father, 59 years; Alexandra Stanescu, mother, 55 years. Str. Constantin Caracas No. 3 București, Sector S. Calin-Alexandru Stanescu, brother, 32 years; Dragos-Valentin Stanescu, nephew, 5 years. Str. Mitita Constantinescu No. 9, București.



81. Name: Stoenescu Maria, Arrived in USA Oct. 1, 1970 278 Riverside Drive, Princeton, N.J. 08540.

Persons involved: Elena Stoënescu, mother, retired, 63 years Str. Galati No. 34, Bucuresti, Romania. Serban Stoenescu: brother, 36 years. Single-divorced. Str. Galati No. 34, Bucuresti. (Both for a short visit).

82. Name: Stoiana Mihail. Arrived in USA; Jan. 24, 1973 50 West 89th Street, New York, N.Y. 10024.

Persons involved: Maria-Doina Stolana: wife, 33 years Magistrala Nord-Sud No. 7, Sc.A, Apt. 2 Parter Sector 5, Bucuresti, Romania. (Their only son is here: Valentin 7 years, and needs permanently his mother).

83. Name: Stefanescu Mihai Laurentiu: Arrived: Apr. 9, 1975. 227 Devoe St., Apt. 5, Brooklyn, N.Y. 11211.

Persons involved: Antoaneta Stefanescu, wife, 44 years Mihai Stefanescu: son, 6 years Str. Av. Marcel Andreescu No. 28, Sect. I Bucuresti.

84. Name: Stratilescu Francisca, 115 E 168th St., Apt. C Bronx, N.Y. 10452.

Persons involved: Constantin Stratilescu, husband, 49 years. Florentina Stratilescu, daughter, 10 years Dragos Stratilescu, son, 6 years. Bucuresti, Romania.

85. Name: Suvac Teodor, Permanent Resident. 312 Townsed St., New Brunswick, N.J. 08901.

Persons involved: Danit Suvac, wife; Mirela Suvac; daughter. Str. Renasterii No. 6, Timisoara, Romania.

86. Name: Tanasoiu, Anca, Permanent Resident. 39-46 57th St. Woodside, N.Y. 11377.

Persons involved: Victoria Tanasoiu, mother, 59 years; Vladimir Tanasoiu, father, 61 years. Str. General Radovici No. 16, Sect. II, Bucuresti, Romania. (For a short visit).

87. Name: Teodorescu Nicolae, Arrived in USA: Dec. 11, 1974. 30-14 33rd St., Astoria, N.Y. 11103.

Persons involved: Alin Luise Teodorescu, daughter, 3 years; Zona Traian Bloc 11, Scara D, Apt. 16 Râmnicul Vâlcea, Romania.

88. Name: Teodorescu-Surmenian Dinu, Arrived: Nov. 1973 45-26 44th St. Apt. 2A, Sunnyside, N.Y. 11104.

Persons involved: Mioara-Alice Teodorescu-Surmenian, wife, 29 years; Robert Teodorescu-Surmenian, son 4 years; Aleca Brânduselor No. 2, Cartierul Tomis III, Bloc L. 9 Scara D, Apt. 65, Constana, Romania.

89. Name: Timariu Smaranda-Virginia, Arrived in USA: March 21, 1972. 50 West 89th Street, New York, N.Y. 10024.

Persons involved. Constana-Irina Gardescu, daughter, 26 years; Eliza-Domnica Gardescu, daughter, 29 years. Str. Nuferilor No. 48, Sector 7, Bucuresti,

90. Name: Timus Adriana, American Citizen 49 W 71st Street, New York, N.Y. 10023.

Persons involved: Anca Timus, sister, 25 years; Roxana Deleanu, daughter, 10 years. Str. Barbu Vacarescu No. 119, Sector 3, Bucuresti.

91. Name: Toma Eremia 30-91 32nd Street, Astoria, N.Y. 11102.

Persons involved: Theodor-Dorel Toma, son, 29 years; Adriana, Toma born Porumb, daughter-in-law, 28 years. Str. Baba Novac No. 20 Bloc 24 A, Ap. 68, Sector 4, Bucuresti, Romania.

92. Name: Tuculescu, Gabriela, Permanent Resident. 70-25 B Yellowstone Blvd. Apt. 3L, Forest Hills N.Y. 11375.

Persons involved: Geraldina M. Pandeale, sister, 35 years. Str. Maxim Gorki No. 4A, Et. III, Apt. 7, Bucuresti 63, COD 7, Romania. Eglantina S. Ionescu, mother, 62 years; (address the same) For a short visit.

93. Name: Tuculescu S. Mihai, Permanent Resident. 70-25 Yellowstone Blvd. Apt. 175, Forest Hills N.Y. 11375.

Persons involved: Traian Radulescu, 35 years; Cal. Grivitel No. 159, Et. VI, Apt. 101, Sector 8, Bucuresti, Romania. Elena Galaction, aunt, 63 years. Str. Gala Galaction No. 51, Sector 8, Bucuresti. (For a short visit) Mircea LUPA, 35 years. Str. Flulerului No. 24bis, Sector III, Bucuresti.

94. Name: Tuculescu A. Razvan, Permanent Resident. 70-25 Yellowstone Blvd. Apt. 3L, Forest Hills New York, 11375.

Persons involved: Serban Tuculescu, father, 65 years; Maria Tuculescu, mother, 64 years. Str. Levantical No. 61, Sector IV, Bucuresti COD, 7, Romania. (For a short visit).

95. Name: Tudorache Ion, Arrived in USA, April 10, 1975. Spencer Hotel Broadway, 69th St. N.Y.

Persons involved: Georgeta Tudorache, wife, 42 years; Mariana Tudorache, daughter, 21 years; Vasile Tudorache, son 7 years; Soseaua Mihai Bravul No. 53055 Bloc P6, Scara 1, Ap. 1 Sector 3 Bucuresti, Romania.

96. Name: Tufan Mariana, Arrived in USA: June 12, 1973. 24-19 41st St., Astoria, N.Y. 11106.

Persons involved: Bogdan Biro, son, 6 years. % Family G. Bogdanescu. Str. Mendeleev No. 140, Timisoara, Romania.

97. Name: Tulcan, Aurel, Arrived in USA: Aug. 20, 1972. 11-926 York Ave., Apt. E. Hawthorne, Los Angeles, California 90250.

Persons involved: Elisabeta Tulcan, wife, 32 years; Florica Tulcan, daughter, 14 years; Daniel Tulcan, son, 12 years; Aurelia Tulcan, daughter, 7 years; Liviu Tulcan, son, 4 years. Str. Gradina Postei No. 284 Arad, Romania.

98. Name: Ungureanu Vasile, Arrived in USA: Apr. 8, 1975. 16-77 Woodbine, Ridgewood, N.Y. 11227.

Persons involved: Maria Ungureanu, wife, 37 years; Napoleon-Leonardo Ungureanu, son, 16 years; Cecil-Marian Ungureanu, son, 2 years; Zoe Ungureanu-Buliga, daughter, 21 years; Viorica Buliga, niece, 3 years. Str. Cartieurl Kiselef Bloc A8, Scara 4, Apt. 17, Turnu Severin, Romania.

99. Name: Velea Eugen-Dumitru, Arrived June 1973, 37 Wedgewood Dr. 14B, Carteret, N.J. 07008.

Persons involved: Maria Velea, wife, 27 years; Margareta Velea, daughter, 16 years. Str. Gheorghe Judet No. 48, Sector 4, Bucuresti.

100. Name: Vinatoru Maria, Permanent Resident. 1413 Durham Ave., South Plainfield, N.J. 07080.

Persons involved: Maria Moisesescu, mother. Str. Hrisovului No. 9, Ap. 42, Bucuresti 52, Romania.

101. Name: Vinatoru Miah, Permanent Resident. 1413 Durham Ave., South Plainfield, N.J. 07080.

Persons involved: Angela Florine Vinatoru. Str. Teodor Aman No. 27, Bucuresti 1 Romania.

102. Name: Vircol Doina, Permanent Resident. 1687½ W. Fargo Ave., Chicago, Ill. 60626.

Persons involved: Alexis Vircol: husband, 33 years. Bucuresti, Romania.

103. Name: Volcu, Marian: Arrived in USA: March 1973. 289 E. South 11th Ave., Highland Park, N.J. 08904.

Persons involved: Constantin Volcu: brother. Str. Compozitorilor No. 2, Apt. 60, Bucuresti.

104. Name: Xanthopoulos Steve: American Citizen. 38 Layton Street, West Hartford, Conn. 06110.

Persons involved: Polixenia Constantinescu Xanthopoulos: sister. Str. Prisaca Dornei No. 8, Bloc D6, Ap. 236, Bucuresti, Romania.

105. Name: Badescu Rodica: Arrived in USA: Apr. 30, 1974. 23-38-31st Road, Astoria, N.J. 11106.

Persons involved: Juliana Badescu: daughter, 8 years. Str. Unitatii No. 48, Bucuresti Sector 4.

106. Name: Crainet Ioan: Arrived in USA: Apr. 25, 1974.

Persons involved: Tiberia Crainet: Born Cociuban: wife, 22 years. Luminita Crainet: daughter, 5 years. Ioan Crainet: son, 2 years. Comuna Sofronea No. 378 Jud. Arad, Romania.

107. Name: Farcasiu Dan: Permanent Resident.

Persons involved: Alexandru Farcasiu: father, 69 years. Viorica Farcasiu: mother, 66 years. Str. Popa Savu, No. 68 A, Sector 1, Bucuresti.

108. Name: Davidescu Gheorghe: Permanent Resident. 300 Eighth Ave., Brooklyn, N.Y. 11215.

Persons involved: Ion I. Stoicescu, brother, 35 years. Blvd. Bucurestii Noi No. 70 Scara A. Et. III Ap. 9, Bucuresti Sector 8, Romania. Grațela Stoicescu, sister-in-law, 30 years; Bogdan-Dragoș Stoicescu, nephew 6 years; Andrea Stoicescu, niece, 4 years (the same address).

109. Name: Miltiade Mihai: Permanent Resident. 50 West 89th Street, New York, N.Y. 10024.

Persons involved: Dionisie Mihui, father, 80 years; Alexandrina Mihui, mother, 80 years. Str. Delea Noua No. 16 Sector 4 Bucuresti. Niculae Mihui, brother,

retired, 43 years. Str. Delea Noua Nr. 18, Sector 4 București. Eugenia Bogdan, sister, 45 years; Valeriu Bogdan, brother-in-law, 58 years. Str. Gabriel Peri No. 4, Ap. 3 Sector 1 București.

110. Name: Snacoveanu, Vasile: Arrived in USA: Dec. 1973. 60-05 Woodhave Blvd. Queens, N.Y. 11373.

Persons involved: Elena Snacoveanu: mother, 54 years. Blvd. Ion Sulea No. 73 Bloc U 27, Apt. 23, București Sector 3, Romania.

111. Name: Kaladjan, Ardashes: American Citizen: 50 West 89th Street, New York, N.Y. 10024.

Persons involved: Elena Andrei, niece, 16 years. Blvd. Dimitrie Cantemir, Bloc 18 Sc. 2, Etaj: III, Apt. 47, București Sector 5, Romania.

112. Name: Alexandres, Brigitte: American Citizen. 37-00 Massachusetts Ave. Alban Towers, Washington, D.C. 20016.

Persons involved: Lucretia Gheorghiu Diplan, daughter, 37 years. Constantin Diplan, son-in-law, 40 years. Diana Craciun, niece, 15 years. Str. Dr. Nicolae Tomescu, București, Sector 4.

113. Name: Lefter, Iordache: Arrived in USA: July 25, 1969. American Citizen. 17-32-202nd St. Bayside, N.Y. 11360.

Persons involved: Cezar Iefter, 38 years. Str. Viitorului No. 8 Bârlad, Jud. Vaslui, Romania.

114. Name: Burnazian George: Permanent Resident. 3548 Normandy Road, Shaker Heights, Ohio 44120.

Person involved: Ariana Burnazian, mother.

115. Name: Dumitrascu, Vasile: Arrived in USA: Aug. 28, 1973. 47-36-39 Pl. Sunnyside, N.Y. 11104.

Persons involved: Elena Dumitrascu, wife. Str. 7 Noembrie No. 28, Iași, Romania.

116. Name: Gogan Tudor: Arrived in USA: July 27, 1970. 83-09 Lefferts Blvd. Apt. 2 A, Kew Gardens, N.Y. 11415.

Persons involved: Ion Gogan, brother, 25 years; Ion Gogan, father. Comuna Cernatești, Jud. Buzau, Romania.

117. Name: Olah Ioan: Arrived in USA: Act. 3rd, 1972. 124-24 So. Conduit Av. So. Ozane Pk., N.Y. 11420.

Persons involved: Ema Elisabeta Olah, wife; Ladislau Edmond Olah, son, 5 years. Timișoara, Circumvaletii III Bloc 4, Sc. D, Et. II Ap. 10.

118. Name: Papa Gheorghe: Permanent Resident. 311 Schaffer St., Brooklyn, N.Y. 11227.

Persons involved: Paraschiva Papa, wife, 43 years; Florin Papa, son, 12 years. Str. Principatele Unite No. 46, Sibiu, Romania.

119. Name: Porutiu Otilia: Arrived July 25, 1973. 4113 13th Ave., Brooklyn, N.Y. 11219.

Persons involved: Augustin Porutiu, husband, 61 years; Rodica Porutiu, daughter, 24 years; Niculae Porutiu, son, 23 years. Str. I.C. Frimu No. 9 Cluj—Napoca, Romania. Gheorghe Porutiu, step-son, 35 years. Str. Edy Endre No. 15, Tg. Mures, Romania.

120. Name: Serban Stefan: Arrived in USA: Nov. 20, 1974. 1870 Drunciole Rd. E. Staten Island, N.Y. 10309.

Persons involved: Mihaița Stefan, son, 22 years. Str. Edgar Quinet No. 3, Sector 1, București, Romania.

121. Name: Butiu, Sara: Permanent Resident. 22-03-25 Road, L.I., New York, Astoria, N.Y. 11102.

Persons involved: Gabrielle Rodica Butiu, daughter, 20 years. Piata Libertatii No. 26, Cluj, Romania.

122. Name: Chis Nicolae: Arrived in the USA: May 7, 1975.

Persons involved: Eugenia Chis, wife, 23 years; Aurelia Chis, daughter, 2 years. Str. Piata Stefan cel Mare No. 7, Constanța, Romania.

123. Name: Constantinov Alexander: Arrived in the USA: Dec. 18, 1972. 100 Manhattan Ave., Apt. 610, Union City, N.J. 07087.

Persons involved: Luiza Constantinov, born Mihaiescu, wife, 28 years; Eduard Constantinov, son, 7 years. Blvd. Schitu Magureanu No. 19, București, Romania.

124. Name: Filip Iancu: Arrived in USA: Jan. 15, 1974. 297 Schaeffer St., Brooklyn, N.Y. 11227.

Persons involved: Vasilica Filip, wife, 35 years; Gabriela Filip, daughter, 14 years; Agripina Filip, daughter, 6 years. Str. Intrarea Garii Progresul No. 8, Sector 5, București, Romania.

125. Name: Marcol Zita : American Citizen. 25-27, Crescent Street, Long Island City, N.Y. 11102.

Persons involved: Sabin Ciugudean, father, 72 years; Emilia Ciugudean, mother, 62 years, Str. Plopilor No. 20 Bloc M. 3 Ap. 12, Cluj, Romania.

126. Name: Pantea Viorica : Arrived in USA : Jan. 24, 1973. 645 East Pean Str. Long Beach, N.Y. 11561.

Persons involved: Monica Pantea (single), 23 years; Dan Pantea (single), 18 years. Parcul Lenin No. 19, Apt. 24, Oradea, Romania.

127. Name: Pop. Cornel-Ioan: arrived USA: Oct. 29, 1974. 16-65n Woodbine Str., Ridgewood, N.Y. 11227

Persons involved: Pop, Henrietta-Georgiana, daughter: 7 years old; Pop, Claudia-Renatte, daughter: 6 years old. Calea Sagului, Bloc 36, Scara C, Et. III, Apt. 14, Timisoara--Romania

128. Name: Laudan, Nicolae--American citizen, born 7.12.1921 Detroit Michigan

Persons involved: Laudan, Nicolae, Laudan, Elena: wife--45 years; Laudan, Elena: daughter: 21 years; Laudan, Radoslav: son, 18 years. Comuna Cenad No. 389 Jud. Timis--Romania

129. Name: Gavrilesu, Ana--born Marinescu, permanent resident 100 Diplomat Drive, Mt. Kisco, N.Y. 10549

Persons involved: Gavrilesu, Dumitru, husband, 50 years; Gavrilesu, Alexandru, son, 19 years: Piata Natiunilor Unite-No. 3: Bloc B2, Scara B, Et. V, Apt. 52--Bucuresti--Romania

#### RECAPITULATION

The above mentioned people, are divided as follows:

(a) Parents:	
1. Fathers:-----	18
2. Mothers:-----	27
(b) Children:	
1. Boys:-----	57
2. Girls:-----	61
(c) Husbands-----	12
(d) Wives-----	36
(e) Brothers-----	20
(f) Sisters-----	21
(g) Others-----	4
Total persons involved-----	266

The Very Rev. FLORIAN M. GALDAU.

THE AMERICAN ROMANIAN COMMITTEE FOR ASSISTANCE TO REFUGEES (ARCAR)  
UNDER THE SPONSORSHIP OF THE ROMANIAN ORTHODOX EPISCOPATE OF AMERICA  
& UNION AND LEAGUE, R.S.A., INC.

NAMES OF PERSONS WHOSE RELEASE IS SOUGHT FROM THE SOCIALIST REPUBLIC OF ROMANIA

1. Name: Harry Flint, American citizen, 88-08 32nd Avenue, Jackson Heights, New York, N.Y. 11370

Persons involved: Dumitru Soiman, brother-in-law, 45 years; Elena Soiman, sister-in-law, 44 years; Daniel Soiman, nephew, 23 years; Alexandrina Ivanciu, sister-in-law, 35 years; Alexandru Ivanciu, brother-in-law, 40 years, Str. Alexandru Moghioros No. 13, Bucuresti, Romania.

2. Name: Ion Mazilu, Permanent resident, 1732 Stephan Street, Ridgewood, N.Y. 11226.

Persons involved: Elena Mazilu: wife, 60 years, Str. Poet Alexandrescu No. 4, Tirgoviste, Romania.

3. Name: Constantin Butura: Arrived in U.S.: Febr. 7, 1974, Box 1424, Radio City Station, 322 West 52nd St., New York, N.Y. 10019.

Persons involved: Florica Butura, born Sandulescu, wife, 37 years; Cezar Butura: son, 10 years; Antonio Butura: son, 6 years, Str. Copaceni No. 47, Bloc W3, Sc.C, Et. I, Apt. 94, Sector 4, Bucuresti, Romania.

4. Name: Mihail Vingarzan. 10187-113 Stret, Apt. 2, Edmonton, Alberta, Canada.

Persons involved: Sanda Vingarzan, wife, 39 years; Ruxandra Vingarzan, 11 years, daughter. Str. Complexului No. 1, Apt. 48, Sector 4, Bucuresti, Romania.

Senator Ribicoff. Mr. Milton Rosenthal.

**STATEMENT OF MILTON F. ROSENTHAL, PRESIDENT, ENGELHARD MINERALS & CHEMICALS CORP., AND CHAIRMAN OF THE U.S. SECTION OF THE ROMANIAN-UNITED STATES ECONOMIC COUNCIL**

Mr. ROSENTHAL. My name is Milton F. Rosenthal. My principal occupation is as president of Engelhard Minerals & Chemicals Corp. I have recently become chairman of the U.S. section of the Romanian-United States Economic Council. The council is a nonprofit organization sponsored jointly by the Romanian and U.S. Chamber of Commerce.

I am pleased to appear here today in support of Resolution 35, speaking on behalf of the American membership of the council. They are senior executives of firms and trade associations representing a broad cross section of American industries committed to promoting commercial ties with Romania. Our activities, financed independently by the U.S. section membership, are aimed at the elimination of obstacles to doing business. We pursue this objective through publications and through annual joint meetings of the full council. Past discussions have centered on such subjects of mutual concern as joint equity ventures in Romania and ways to expedite the process of negotiating contracts and obtaining central government authorizations.

The U.S. section of the Romanian-United States Economic Council strongly urges Congress to approve the agreement on trade relations between the United States and Romania, which extends nondiscriminatory tariff status with respect to Romanian products. To this end our former U.S. chairman, Gabriel Hauge, chairman of the board of the Manufacturers Hanover Trust Co., submitted a letter of support to all members of the House Ways and Means and Senate Finance Committees.

In brief, we feel that the administration has in this instance concluded an agreement which serves the best interests of the United States.

The international situation which resulted in the implementation of the Trade Agreements Extension Act of 1951 and the withdrawal of previously existing MFN status for Romania has, we all know, changed dramatically over the last 24 years. We have moved from an era of cold war confrontation to a period characterized by mutual respect and careful exploration of the possibilities of cooperation between different social systems. This shift in our relationship with the socialist world—and most conspicuously with Romania—has been marked by an increasing number of political and economic agreements which have formalized the commitment to improved relations shared by the past four U.S. administrations.

Beginning in 1960, an agreement was signed providing for the partial restoration of U.S. property claims. This was followed in 1964 by the revision of export control procedures and the upgrading of our respective diplomatic establishments to the status of embassies. In 1969, President Nixon, as the first U.S. President to visit Romania,

received an overwhelmingly warm welcome and promised to place our trading relations on a normal footing. Since then, Romanian President Nicolae Ceausescu has twice visited the United States—in 1970 and 1973. On these occasions he signed agreements concerning the protection of U.S. citizens' property rights in Romania, a civil air pact, a tax convention and a joint statement of economic, industrial and technological cooperation, and he witnessed the signature of the agreement between the United States and Romanian Chambers of Commerce establishing the Romanian-United States Economic Council. In the fall of 1971, President Nixon signed a determination opening Export-Import Bank facilities to Romania and in March 1972, one which allows for OPIC coverage of contracts with Romania. More recently, the Securities and Exchange Commission has permitted resumption of trading in Romanian securities.

Concurrent with the improvement in United States and Romanian relations, Romania has undertaken steps to become a full member of the international community. It has sought and obtained membership in GATT, the IMF, and the World Bank, and it has increased its role in the discussion of world issues, as in the case of the World Population Conference, hosted by Romania last fall. In addition, Romania has enacted a series of domestic legislative and administrative reforms designed to facilitate and expand commercial relations with the United States and other Western nations.

These initiatives can be taken as clear evidence of a determined effort by Romania to establish an independent foreign and economic policy without breaking established ties with neighboring countries. They have resulted in continued friendly diplomatic and economic relationships with Western countries, including Israel.

It is difficult to overestimate the enormous psychological impact which MFN—the equivalent of recognition in the diplomatic world—will have as encouragement of this trend.

Turning to more strictly economic considerations, it is apparent first of all that the balance of Romanian-United States trade over the past 9 years has been running heavily and consistently in favor of the United States.<sup>1</sup> Every year since 1966 we have exported over twice as much as we have imported from Romania and our exports to Romania have been rising steadily in value.<sup>2</sup> At a time when major

<sup>1</sup> U.S. trade with Romania, 1966-1974 (in thousands):

	Exports	Imports
1966.....	\$27,057	\$4,655
1967.....	16,795	6,176
1968.....	16,680	5,553
1969.....	22,394	7,966
1970.....	66,399	13,425
1971.....	52,532	13,774
1972.....	60,051	31,411
1973.....	116,510	55,700
1974.....	277,120	130,520

<sup>2</sup> In 1973, the Commerce Department reported that Romania's principal exports to the United States were (in percent): Petroleum and petroleum products (28.3); footwear, new except orthopedic (14.9); clothing and accessories (11.6); meats and meat preparations (11.3); machinery, nonelectric (10.3); nonmetallic mineral manufactures (9.5). Others include furniture, iron and steel, dairy products and eggs, and textile yarn and fabrics. Romania's main imports from the United States were: Animal feed stuffs excluding unmilled cereal (25.8); machinery nonelectric (15.8); hides, skins and furskins, (15.5); raw textile fibers and waste (10); cereals and preparations of cereals, flour (6.9). Others include coal and coke, oil seeds and nuts, iron and steel, and chemical elements.

Source: U.S. Department of Commerce.

trade deficits loom on the international horizon and when the U.S. employment situation is of critical concern, we have a solid interest in continuing these exports.

While there is no assurance our favorable trade balance will continue indefinitely at its current ratio, there is good reason to expect—given the presence of MFN—that the United States will have a positive balance of trade with Romania over the initial 3-year lifetime of the agreement.

In this context, the anticipation of the Romanian Government that Romanian state enterprises will place substantial orders in the United States takes on particular meaning. Given the linkage in the minds of key Romanian officials between acceptance as an equal trading partner, embodied in MFN status, and their readiness to make major purchases in the American market, this seems to be a reasonable expectation. They are also keenly aware that along with the growth in U.S. imports from Romania has come an increasing degree of discrimination. As pointed out in a recent U.S. Tariff Commission study, whereas “in 1970, 42 percent of the imports from Romania were taxed at a discriminatory, in 1972, nearly three-quarters of Romania’s sales to the United States were taxed at substantially higher rates than the same products coming from MFN countries.”

Romania has maintained an impressive growth rate in recent years. From a \$13.7 billion gross national product in 1960, it moved to \$28.8 billion in 1972—at an annual rate of 6.2 percent. Its primary economic goal remains the rapid development of industrial capacity—a goal which implies continuing demands for modern plant and equipment imports from Western sources.

But important alternatives to U.S. sources exist. In 1973, our exports were only 4.2 percent of all Romania imports, while our non-socialist competitors enjoyed nearly 50 percent of the total market. In other words, we run a significant risk that Romanian decision-makers, impatient at the failure to obtain MFN status from the United States, will purchase increasingly from our Western European and Japanese competitors. Here, the fact that virtually all of these nations currently extend MFN status to Romania can be expected to weigh heavily in future decisions.

In realistic terms, the United States has little reason to fear a massive influx of Romanian goods as a result of according them MFN status. Despite their recent increase, Romanian goods currently represent only a tiny fraction of all U.S. imports, the largest item being fuel and related petroleum products. Although the Commerce Department predicts a small short term increase in these imports as a result of granting of MFN, in the foreseeable future it is very unlikely that Romanian enterprises would be either able or willing to undertake the kind of production adjustments necessary to penetrate the U.S. market on a large scale. Thus, it is highly unlikely that Romania will supplant current sources of imports.

Moreover, in accordance with provisions of the Trade Act of 1974, the Agreement on Trade Relations between the United States and Romania reserves the right for both parties to impose measures to protect themselves from actual or threatened market disruption. The

agreement goes on to spell out in considerable detail the criteria and procedures for establishing quantitative import limitations and other remedial measures.

This language is typical of the numerous safeguards built into the agreement which seem to augur well for the ability of U.S. negotiators to maintain a satisfactory balance of concessions in trade and services as required by the Trade Act of 1974.

The agreement provides for a substantial number of benefits to be derived by U.S. businessmen apart from its implied stimulus to exports and immediate advantages to importers through the application of a new tariff schedule. For example, U.S. businessmen based in Romania will be able to enjoy multiple entry visas for 6 months and longer as well as opportunities for prompt access to communications facilities—advantages which can by no means be taken for granted in Eastern Europe. Moreover, as a result of the pervasive application of the principle of MFN, or nondiscriminatory treatment, they will be assured of important basic rights, among them: Equal treatment in obtaining office and other supportive facilities in Romania; equal treatment in exchanging foreign currency; equal treatment for their vessels and cargoes in open ports.

In sum, the U.S. section of the Romanian-United States Economic Council is convinced that the administration has negotiated a satisfactory basis for putting our commercial relations with Romania on the same footing as those we conduct with over 80 other nations of the world. MFN and related provisions may not be the chief condition for the expansion of trade between our two countries, but—in the words of one Romanian authority—"at any rate it is the first."

Our endorsement of this agreement is in keeping with the prominent and longstanding support of the U.S. Chamber of Commerce for the elimination of restrictions on international trade, notably its advocacy of nondiscriminatory tariff status for East European countries in return for satisfactory concessions on the other side. A poll taken among attendees at the chamber's recent 1975 annual meeting expressed continuing strong endorsement of this policy.

The Congress now has before it a unique opportunity to test the workability of the existing language of the Trade Act as it pertains to our commercial relationships with centrally planned nonmarket economies. By taking advantage of this opportunity it can, without ceding substantial supervisory powers, make a vital contribution to the positive development of our relations with Romania, as well as other nations anxious to see in us a reliable trading partner.

I thank you for this opportunity to be heard in behalf of the U.S. section of the Romanian-United States Economic Council.

SENATOR RIBICOFF. Thank you very much, Mr. Rosenthal. I have no questions. Thank you very much.

MR. ROSENTHAL. Thank you.

[The brief description of the Romanian-United States Economic Council submitted by Mr. Rosenthal follows:]

The Romanian-United States Economic Council was created by an agreement signed by the Presidents of the Romanian and United States Chambers of Commerce on December 4, 1973. The Council is the first of its kind between the Chamber of Commerce of the United States and its counterpart institution in a



socialist country. Romanian President Nicolae Ceausescu and high-ranking officials of the governments of the two countries witnessed the ceremony.

The Council has two national sections composed of about 60 key business decision-makers from both countries. They meet annually, alternately in Romania and in the United States, to discuss Romanian-United States trade and investment issues and to formulate policy positions designed to promote and expand economic relations between the two countries. Council positions are submitted to the appropriate authorities of both governments for policy action.

In January 1974, the charter members of the U.S. section met in Washington and elected Gabriel Hauge, Chairman of Manufacturers Hanover Trust Company, chairman of the U.S. section. U.S. section member organizations represent sectors that enjoy the greatest volume of activity in United States-Romanian trade. These firms vary in size and geographic location. Other members include firms with a recognized potential for involvement with Romania, and two trade associations—the American Importers Association and the National Machine Tool Builders Association.

Based on an affirmative membership referendum, the U.S. section submitted a statement to the U.S. Senate Finance Committee urging approval of Romania's longstanding request for non-discriminatory tariff status (MFN) under U.S. law. Encouraging replies received from members of the Committee suggest that efforts to resolve this issue for Romania, without waiting for a final determination on the more complex questions surrounding MFN for the U.S.S.R., are underway.

The Council has received nationwide publicity in the United States and Romanian press. Its first plenary meeting, held in Bucharest May 31–June 1, brought the highest ranking group of U.S. corporate executives ever to assemble in Romania at one time. Together with their Romanian counterparts, they discussed factor that have made U.S. firms hesitant to take advantage of Romania's unique legislation allowing western equity participation in joint ventures. They also reviewed the prospects for expanded U.S. imports from Romania, Romanian priorities in the 1976–1980 Five-Year Plan, and concrete projects which can be undertaken by the two national sections, such as the exchange of economic information and a corporate intern program—both aimed at creating a better understanding of ways in which mutually beneficial economic relations can be expanded.

Senator RIBICOFF. Dr. Szaz.

Mr. ESZENYI. Dr. Szaz just left, he will be in in a couple of minutes. We are ready to testify.

Senator RIBICOFF. Are you with Dr. Szaz?

Mr. ESZENYI. Right. Yes.

Senator RIBICOFF. Just give us your name, please.

Mr. ESZENYI. My name is Laszlo Eszenyi. I am chairman of the Foreign Relations Committee of the American Hungarian Federation.

Bishop BEKY. My name is Bishop Zoltan Beky, president of the American Hungarian Federation and the Federation of the Hungarian Churches.

**STATEMENT OF DR. Z. MICHAEL SZAZ, AMERICAN HUNGARIAN FEDERATION; ACCOMPANIED BY LASZLO L. ESZENYI, CHAIRMAN, FOREIGN RELATIONS COMMITTEE OF THE AMERICAN HUNGARIAN FEDERATION, AND BISHOP ZOLTAN BEKY, PRESIDENT OF THE AMERICAN HUNGARIAN FEDERATION**

Bishop BEKY. The American Hungarian Federation, the national organization of American Hungarian churches, fraternal associations and societies since 1907, respectfully submits its arguments against the approval of the United States-Romanian Trade Agreement of April 2, 1975 and the subsequent Presidential Proclamation of April 24, 1975 extending the most favored nation treatment to Romania.

The American Hungarian Federation argues that the present Romanian Government pursues an active policy of discrimination and abridgment of human and civil rights of its citizens, particularly those of the near 2.5 million Hungarian minority.

The abridgment of human and civil rights include the denial of schooling in the mother tongue, particularly on the secondary and higher education level, severely curtailing permission to receive housing in most Transylvanian cities to Hungarians, forced denationalization policies including the dispersal of university graduates of Hungarian ethnic background into purely Romanian areas, and Romanizing street and place names in purely Hungarian-inhabited towns, villages, and urban wards. The Romanian authorities also discriminate against citizens of Hungarian ethnic background in local, county, and state administration and party positions, excluding them virtually from any position of an officer of the army, police, and gendarmerie. Job discrimination, particularly on higher management level, in the factories and cooperatives persists and Hungarian-language programs on TV and radio are almost infinitesimal. Hungarian writers and theater directors are subject to censorship as far as their topics are concerned and are often becoming conveyor belts for the translation of Romanian novels, poems, and plays to the Hungarian minority.

The churches are openly interfered with; one denomination was forcibly eradicated in 1948, and those who teach the Christian faith are subject to severe punishments. According to the telegram of the Christian Mission to the Communist World, reproduced in the Congressional Record by Representative Michael Harrington, adventists are arrested, receive lashes, and have to carry 30 to 40 pounds of iron balls with spikes.

Furthermore, the traces of the Hungarian past of Transylvania are actively erased. All archival material, church records, art objects, and private letters over 30-years old belonging to the churches and private persons have been transferred to State and local archives in a primitive and unorganized manner. They are not even being cataloged for the lack of qualified personnel as, according to the statement of one of the Communist deputies in the Romanian Grand National Assembly last fall, no archivist degrees have been awarded on Romania for the past 25 years.

In an era when tourism is generally promoted in Europe, the Romanian state decreed this year that only the most immediate family members may stay at their homes, all other relatives must go to a hotel and pay preposterous prices.

The composite picture that emerges is not that of a civilized government anxious to maintain the guarantees provided in the constitution. It is rather one within which ideological zealotry and nationalist bias are rampant to the detriment of many citizens, particularly those of Hungarian ethnic background.

We submit that under these circumstances we would be rewarding the enemies of human rights with excessive economic concessions if we were to award Romania with nondiscriminatory tariff treatment.

The American Hungarian Federation also realizes certain economic disadvantages of the trade agreement for certain industry branches in the United States and shares the concern expressed by the AFL-CIO in this regard.

The American Hungarian Federation firmly believes that a discussion of the continued repressive policies of the Romanian Government against its citizens, particularly those of Hungarian ethnic background, must precede any final vote on this issue by the Finance Committee and the U.S. Senate. Therefore, the American Hungarian Federation strongly urges the Finance Committee to formally request the U.S. Department of State to undertake talks on the above subjects with the Romanian Government and to report back to the Finance Committee on the results of the same before any final recommendations are made by the committee on the United States-Romanian Trade Agreement and the Presidential proclamation of April 24, 1975.

In regard to the emigration clause of the Trade Reform Act of 1974 which the President proposes to waive for 18 months, we would like to submit two of our concerns:

First, we would like to see the families torn apart to be united. State Department officials informed us that about 84 such cases are pending, and we are aware that some of them include Romanian citizens of Hungarian ethnic background.

Second, we are concerned that the language of the Jackson-Vanik amendment incorporated into the Trade Reform Act of 1974 might encourage the Romanian Government to use direct or indirect pressures in order to encourage selected members of the Hungarian minority to emigrate to the United States or other Western countries. By doing so, the Government might want to remove the more active and best educated elements of the minority from Romania. We would oppose such procedures as they would force out people from Romania whose forefathers lived there for more than 1,000 years and were there even before immigrants. We strongly urge the Finance Committee to add explanatory language excluding such abuses and would be willing to suggest draft language for this purpose.

Then, I wish to add to this statement, Senator Ribicoff and members of the Senate committee, a resolution passed by my diocese 2 or 3 days ago concerning the——

Senator RIBICOFF. We will take your resolution and put it in the record.

Now, I wonder whether you have a list similar to that of Reverend Gal dau, of individuals and families that have been separated, that you have tried to bring to this country? Do you have such a list available?

Bishop BEKY. Yes, we do have a listed available.

Senator RIBICOFF. Would you submit that list?

Dr. SZAZ. Yes. Senator, my name is Dr. Michael Szaz. I am sorry I stepped out for a moment. We do have knowledge of several cases. We do not have a particular list, but if the Senator would like to have it we can compile that list and submit it to him.

Senator RIBICOFF. Yes.

Dr. SZAZ. But, our main concern, even though we would very much like to see the unification of families, is basically the general absence of human rights and civil rights of all Romanian citizens of Hungarian background.

Senator RIBICOFF. I understand that, but I am wondering if you have a list, because if we could be helpful to people and families that have been separated, we might like to try. I mean, if you have specific cases

that come to the attention of your diocese or your families, would you please submit it to the committee?

Dr. SZAZ. Yes, we have specific cases.

Bishop BEKY. Yes, we would be glad to do it.

Senator RIBICOFF. Senator Dole.

Senator DOLE. I have no other questions. I have read the full statement. The historical parts of it I have not read, but I think I understand your general frustration with the present government and the lack of civil rights. And I assume that you feel that before any agreement is completed there should be some changes in those policies.

Dr. SZAZ. Yes; I would say that we would like to see some kind of changes, but we are aware that they are hard to achieve. What we would like to see particularly is an expression on the part of the U.S. Congress and Senate and an expression on the part of the State Department that these problems exist. They should be subjects of diplomatic talk, at least trying to achieve some progress. Perhaps, we cannot achieve too much, but at this point, if you read The Washington Post yesterday morning, there is not even an awareness in the press, in the Congress, and there is some awareness in the State Department, but not much willingness to proceed, about this issue at all. It should be a matter for your consideration. We have here at the hearings at the House and the hearings of the Senate considerable time devoted to one particular minority question in Romania, which involves, very correctly so, the Jewish minority in Romania.

Senator DOLE. I think The Washington Post article talked about 350,000 Romanian Jews that have emigrated to Israel and another 90,000 remain, and 10,000 were ready to leave. But, beyond that, it did not get into the problem you mentioned. Senator Ribicoff has made it clear that we can revise the laws.

Senator RIBICOFF. As I indicated—you were not in the room—my concern is as much to people of all faiths and all ethnic backgrounds, not just people of Jewish faith, and I think that is the intention of Congress in passing the Jackson amendment.

Dr. SZAZ. I realize that, Senator. You were the Chairman on the floor who accepted the Helms amendment on the floor at the time, which was reuniting the families, so I am aware of that.

Senator RIBICOFF. Senator Byrd.

Senator BYRD. Thank you, Senator Ribicoff. Dr. Szaz, I think this is covered in your response to Senator Dole, but, as I understand it, you and your colleagues feel that if Most Favored Nation treatment is to be given to Romania that the U.S. Government should demand something in return, namely, freer emigration, as one example. Are there other examples that you would have in mind?

Dr. SZAZ. Senator Byrd, we have two things in mind, and one thing, we greatly would like to see the families reunited, but, in addition, we would like to achieve some kind of elimination of the present discrimination against the members of the Hungarian minority. I know that the possibilities are limited, but at least let us do what we can.

Senator BYRD. Well, as I understand it, there is apparent job discrimination against the Hungarian minority in Romania.

Dr. SZAZ. I think that is one of the grievances, but we also feel there is a tremendous amount of discrimination in the educational system.

There is a conscious drive to do away with all of these historical and cultural traces of Hungarian culture. This is an area which is not very large. There are about six million people in all; and these areas were Hungarian territory, so their history is Hungarian. The people might now be a majority of Romanians, but now there is a conscious drive to do away with everything Hungarian there, even taking away the church records and everything that is over 30 years old is state property. Even Communist deputies in the Romanian Parliament have stated that they do not have qualified archivists.

I have, in the testimony, very specific numbers that hardly anybody at the archives—even at the national level—even reads Hungarian. Out of 30 people, there may be three people who are Hungarian. These are Hungarian and Latin documents and Greek documents, and there are no archivists in Greek, in Romania for 25 years. This does not come from us; it comes from a Communist deputy of the Grand National Assembly in Romania.

Senator BYRD. Let me ask you this. Does the constitution of the Soviet Socialist Republic of Romania promise no discrimination on the basis of natural origin?

Dr. SZAZ. That is correct. It has not kept—it has kept in the breach rather than an observance. The rights are there on paper; they are not there in reality.

Senator BYRD. Thank you. I have no further questions.

Senator RIBICOFF. Thank you, gentlemen.

[The prepared statement of Dr. Szaz with an attachment follows. The hearing continues on p. 76.]

#### TESTIMONY OF DR. Z. MICHAEL SZAZ, AMERICAN HUNGARIAN FEDERATION

The American Hungarian Federation, the national organization of American Hungarian churches, fraternal associations and societies since 1907, respectfully submits its arguments *against* an approval of the United States-Romanian Trade Agreement of April 2, 1975 and the subsequent Presidential Proclamation of April 24, 1975 extending the "most favored nation" treatment to Romania.

The American Hungarian Federation argues that the present Romanian Government pursues an active policy of discrimination and abridgment of human and civil rights of its citizens, particularly those of the near 2.5 million Hungarian minority.

The abridgment of human and civil rights include the denial of schooling in the mother tongue, particularly on the secondary and higher education level, severely curtailing permission to receive housing in most Transylvanian cities to Hungarians, forced denationalization policies including the dispersal of university graduates of Hungarian ethnic background into purely Romanian areas and Romanizing street and place names in purely Hungarian-inhabited towns, villages and urban wards. The Romanian authorities also discriminate against citizens of Hungarian ethnic background in local, county, and state administration and party positions, excluding them virtually from any position of an officer of the army, police and gendarmerie. Job discrimination, particularly on higher management level in the factories and cooperatives persists and Hungarian-language programs on TV and radio are almost infinitesimal. Hungarian writers and theater directors are subject to censorship as far as their topics are concerned and are often becoming conveyor belts for the translation of Romanian novels, poems and plays to the Hungarian minority.

The churches are openly interfered with, one denomination was forcibly eradicated in 1948, and those who teach the Christian faith are subject to severe punishments. According to the telegram of the Christian Mission to the Communist World, reproduced in the *Congressional Record* by Representative Michael Harrington, adventists are arrested, receive lashes and have to carry 30-40 lbs. of iron balls with spikes.

Furthermore, the traces of the Hungarian past of Transylvania are actively erased. All archival material, church records, art objects and private letters over

40 years old belonging to the churches and private persons have been transferred to state and local archives in a primitive and unorganized manner. They are not even being catalogued for the lack of qualified personnel as according to the statement of one of the Communist deputies in the Romanian Grand National Assembly last fall, no archivist degrees have been awarded in Romania for the past 25 years.

In an era when tourism is generally promoted in Europe, the Romanian state decreed this year that only the most immediate family members may stay at their homes, all other relatives must go to a hotel and pay preposterous prices.

The composite picture that emerges is not that of a civilized government anxious to maintain the guarantees provided in the Constitution. It is rather one within which ideological zealotry and nationalist bias are rampant to the detriment of many citizens, particularly those of Hungarian ethnic background.

We submit that under these circumstances we would be rewarding the enemies of human rights with excessive economic concessions if we were to award Romania with non-discriminatory tariff treatment.

The American Hungarian Federation also realizes certain economic disadvantages of the trade agreement for certain industry branches in the United States and shares the concern expressed by the AFL-CIO in this regard.

The American Hungarian Federation firmly believes that a discussion of the continued repressive policies of the Romanian government against its citizens, particularly those of Hungarian ethnic background, must precede any final vote on this issue by the Finance Committee and the United States Senate. Therefore, the American Hungarian Federation strongly urges the Finance Committee to formally request the United States Department of State to undertake talks on the above subjects with the Romanian Government and to report back to the Finance Committee on the results of the same before any final recommendations are made by the Committee on the United States-Romanian Trade Agreement and the Presidential Proclamation of April 24, 1975.

In regard to the emigration clause of the Trade Reform Act of 1974 which the President proposes to waive for 18 months, we would like to submit two of our concerns:

(1) We would like to see the families torn apart to be united. State Department officials informed us that about 84 such cases are pending and we are aware that some of them include Romanian citizens of Hungarian ethnic background.

(2) We are concerned that the language of the Jackson-Vanik Amendment incorporated into the Trade Reform Act of 1974 might encourage the Romanian Government to use direct or indirect pressures in order to encourage selected members of the Hungarian minority to emigrate to the United States and other Western countries. By doing so, the Government might want to remove the more active and best educated elements of the minority from Romania. We would oppose such procedures as they would force out people from Romania whose forefathers lived in the area for more than 1,000 years and were there even before the Romanian settlers. We strongly urge the Finance Committee to add explanatory language excluding such abuses and would be willing to suggest suitable draft language for this purpose.

## INSTANCES OF DISCRIMINATION AND THE ABRIDGMENT OF HUMAN AND CIVIL RIGHTS

### *I. The historical background*

The Hungarian minority in Romania is concentrated mostly in the historical province of Transylvania separated from the rest of Romania by a continuous mountain chain (Carpathian Mountains) ranging between 3000-7500 feet. There are other Hungarian minorities in Bucarest (estimated numbers range as high as 100,000) and some *Csángó* villages in western Moldavia.

Transylvania constituted a province of the Roman Empire between 109 and 271 A.D. Upon the end of Roman rule, the province was invaded by numerous migrating tribes of Germanic, Hunno-Avaric and Slavonic character. Following the entry of the Hungarians into the Carpathian Basin in 896 A.D., they started settling in Transylvania during the 10th century A.D. From the 12th century on, another Hungarian tribe (Székelys) with frontier guard functions, settled in the southeastern corner of Transylvania, followed by the German settlers called in between 1161-1200 (Saxons) both of whom retained their local administrative autonomy.

There is no historical record of Romanian presence in Transylvania before 1222 A.D., except for the chronicles of Kezai and Magister P(osa). The two

chronicles followed the medieval tradition of embellishing the victories of the founders of the country by adding to the peoples conquered by them all the peoples who were living there in their own days. Romanian place names before 1300 A.D. are rare in Transylvania and are restricted to the southern and southwestern parts of the province.

Romanian historians generally accept the Daco-Romanian theory of continuous settlement of Romanians in Transylvania between 271 A.D. and 1222 A.D. Their best argument is the undoubtedly Romanic origin of the Romanian language. They glossed over the silence of almost a millennium and pointed out that the remaining Roman settlers could have survived in the mountainous areas without being recorded in historical documents. Unfortunately, etymological research even by Romanian scholars like Capidan shows that the Romanian language originated in Italy, developed in southern Albania and moved from there north. There are several isolated groups in Yugoslavia which speak dialects closely akin to the Romanian. If to these findings we add the silence of historical sources, the Daco-Romanian theory remains a hypothesis at best.

There is nothing hypothetical about the presence of Hungarians in Transylvania since the 10th century. After 1001 A.D., the founding of the Hungarian Kingdom by St. Stephen, Transylvania formed an integral part of the kingdom and was administered by the oldest son of the king, the Hungarian equivalent of the Prince of Wales.

In the 15th century, Transylvania gave Hungary and Europe two of the greatest statesmen of their times. John Hunyadi, both as a general and as the regent of Hungary fought the Turks and delayed their entry into Central Europe by seventy years through his victory in the battle of Belgrade (1456). His son, King of Hungary between 1458-90 became a famous Renaissance king bringing scholarship and arts to Hungary and founding additional universities. His reign is still considered the golden age of Hungarian culture and power.

Following the capture of Buda by the Turks in 1541, Transylvania, after a short transitional period, had become a semi-independent principality paying tribute to the Sultan but not occupied by the Turks. Its princes were all Hungarian except for the short-lived (1½ years) invasion by the Voivod of Wallachia, Michael Vitez as an ally of the Emperor-King of Hungary. Most of the princes were of the Protestant faith, except the Bathorys. Stefan Bathory, however, also became the King of Poland and brought the fame of Transylvania to all of Europe. Transylvania is famous for having decreed the first religious tolerance edict in 1567 at the Diet of Torda, thirty years before the Edict of Nantes. The ruling "nations" were the Hungarians, Székelys (also Hungarians) and the Germans (Saxons). The cultural accomplishments of Transylvanians in the 17th century were very high, they formed the mainstream of Hungarian culture and attained high standards in science and arts. It is during this period that the first books in Romanian appear, sponsored by the princes who wanted the Romanians to have their bibles and religious literature.

Upon the recapture of Buda by the forces of the Emperor, and the subsequent death of Prince Michael Apaffy, Transylvania rejoined the Kingdom of Hungary, but was administered as a separate province, the "Grand Principality of Transylvania."

The Turkish raids in the 17th century decimated the Hungarian population of the Central Plains (Mezőség) and the river valleys. The Romanians, mostly mountaineers suffered less of the Turkish soldateska. Yet at the end of the century the Romanians were still a minority and the Hungarians were the strongest nationality in the province.

During the period of 1691-1780 the governors were either Hungarian or German and they were all anxious to repopulate the province, just as their counterpart did settle the southern parts of the Hungarian Plains. With the Turkish rule continuing in the Romanian provinces of Moldavia and Wallachia, Romanian settlers were readily available and by 1760 Romanians formed the majority nationality in Transylvania, but remained politically unrecognized.

In the cultural and linguistic fields, however, the Hungarian Administration and the Roman Catholic Church promoted their concerns. In 1701 the Romanian Orthodox Church joined Rome as the Romanian-rite Eastern Church and established theological seminaries, including one at Balázsfalva (Blaj). The first stirrings of the Daco-Romanian theory and of Romanian historiography were financed by the Catholic Church and the Hungarian administration of Transylvania during the 18th century. The 18th century was also one of cultural and

scientific development in Transylvania which then produced the greatest Mathematician of his age, Farkas Bolyai and one of the leading orientalists of his age, Alexander Körössy-Csoma.

The ideas of the French Revolution permeated slowly the Austro-Hungarian Empire despite the balancing acts of Prince Metternich. Nationalism became popular first in Hungary and Croatia, and only later to the Transylvanian Romanians. The "reform age" of 1825-48 produced leaders among the Transylvanian Hungarians, including Count Nicolas Wesselényi and the writer-politician, Baron Nicholas Jósika. They demanded the administrative union of Transylvania with Hungary and liberal political reforms.

When the March 1848 events resulted in Habsburg concessions to Hungary including the formation of a government responsible to the Parliament, the union of Transylvania and Hungary was also accomplished creating the first Hungarian-Romanian strife in Transylvania.

The Romanians were already well organized in 1848 through the Romanian Orthodox Church, for the majority of the Romanian parishes returned to Orthodoxy by 1760. They opposed the union with Hungary and encouraged by the Vienna Court revolted under the leadership of Avram Iancu and Archbishop Săguna. Guerilla fighting of great ferocity continued for almost a year. Temporarily, the Hungarians won and the Romanians made peace with them on the basis of local autonomy, but a few weeks later Russian troops, in alliance with the Austrian Emperor entered Hungary and Transylvania and crushed the Hungarian armies.

For 17 years the Austrians governed Transylvania and oppressed both Hungarians and Romanians, bringing the two nationalities closer to one another. When the Austro-Hungarian Compromise was arranged in 1867 and Transylvania was administratively reunited with Hungary, there were no Romanian protests.

Hungary enacted a very liberal Nationalities Law in 1868 giving full equal rights to all its citizens including the right to education in the mother tongue. As a result there were 2,300 Romanian private schools, several hundred high schools and 13 colleges in Hungary by 1914 at a time when full literacy was far from achieved in Transylvania.

Romanian deputies were elected in Romanian-inhabited counties to the Budapest Parliament where they fought any attempts of curtailing Romanian rights. Economic affluence and cultural development characterized the period before World War I. A strong Romanian middle-class arose and economic self-help organizations assisted Romanian farmers to buy land.

Yet an alienation between the educated Hungarian and Romanian classes became noticeable. Increasing cultural reliance on the "Old Kingdom" Romania and annoyance with attempts of the nationalist factions in the Hungarian Government after 1895 to promote the teaching of the Hungarian language and literature in the private school leading to the Lex Apponyi in 1907 exacerbated the relations, straining also relations between Austria-Hungary and Romania which regained her independence in 1878 and through the Liga Culturală influenced the intelligentsia of the Transylvanian Romanians in an irredentist manner.

When the war broke out, the Hungarian and Romanian regiments fought equally well and there were no changing sides by Romanians. Romania herself declared neutrality although formally an ally of the Central Powers and in the summer of 1916 joined the Allied and Associated Powers in the Treaty of London. The Treaty promised all of Transylvania, the Banat and parts of eastern Hungary with a mixed Romanian and Hungarian population to Romania. As a result, Romanian troops moved into Transylvania against the Central Powers. However, German and Austro-Hungarian troops defeated the Romanian and German armies and Romania concluded a peace treaty with the Central Powers in March 1918. On November 7, 1918 Romania "declared war" on the non-existent Austro-Hungarian state which had signed an armistice with the Allies on November 2, 1918. Resisted only by a few volunteer units and assisted by the Allied High Command in Belgrade the Romanian army advanced into Transylvania.

On December 1, 1918, the Romanian Transylvanians convened at Alba Julia (Gyulafehérvár), and after bitter debates, voted union with the Romanian Kingdom. The Hungarians held a protest meeting at Kolozsvár (Cluj) and the Saxons only accepted the union with Romania upon receiving personal guaran-



tees from Romanian leaders that the Paris Peace Conference had already assigned Transylvania to Romania.

Romanian and French pressures led to the delivery of the Vyx Note to the Hungarian Government on March 20, 1919 assigning a deep corridor of Hungarian-inhabited cities and villages in eastern Hungary to a demilitarized zone to be occupied by Allied forces. This precipitated the Communist takeover in Hungary which was, in turn, utilized by the Romanian Government to occupy Budapest and assure the acceptance of her claims against Hungary at the peace conference. An analysis of the Vyx Note is given in Peter Pastor "Franco-Rumanian Intervention in Russia and the Vyx Ultimatum: Background to Hungary's Loss of Transylvania."

In the Peace Treaty of Trianon (1920) Romania received substantially the same territories promised in the Treaty of London. The Allied and Associated Powers insisted upon Romanian signature of a Minority Rights treaty. Its provisions were never fully kept but its existence had prevented a more intense persecution of the Hungarians. As a result of the peace treaty, 180,000 Hungarians had to leave Transylvania (former civil servants) and the remainders became second-class citizens in the Romanian state.

Interestingly, the Transylvanian Romanians were also disappointed because their compatriots from the "Old Kingdom" took over the reins of the state. Although unfriendly toward the Hungarians, the Transylvanian Romanian leaders, many of them former deputies of the Hungarian Parliament, became the most sever critics of the new regime. Political and financial corruption flourished and extremist movements on the right—the Iron Guard—threatened the Hungarian minority in addition to legalized discrimination.

The land reform confiscated mostly Hungarian estates, as their Romanian counterparts were exempted under transparent pretenses. Literary language requirements, in turn, prevented adequate representation of Hungarians in the civil service. A certain percentage of workers and employees in every business enterprise had to be Romanian. Hungarian students had only a remote chance of passing the Romanian admission tests to the universities. Many Hungarian church schools were forced to be closed and Romanians were selected into purely Hungarian areas in southeastern Transylvania. The disputes led to innumerable protests to the League of Nations, to several critical hearings, and despite the general friendly feeling toward Romania by League members, to several decisions against Romanian authorities.

Yet despite oppression Hungarian culture flourished even under Romanian censorship. Many of the best known Hungarian writers and poets of the century belong to the "Transylvanian" school of the period between the two World Wars like Aaron Tamási, Joseph Nyirő, Albert Wass and Alexander Reményik.

A Western ally in 1939, Romania renounced the British-French guarantee in June 1940 upon the collapse of France. Hungary now pressed for a frontier revision. The U.S.S.R., in turn, with German assent under the 1939 German-Soviet Pact, demanded the return of Bessarabia and northern Bukovina from Romania in June 1940 in form of an ultimatum. Romania yielded to Moscow but came to no agreement with Hungary. Hitler, anxious to be assured of the oil production of Ploesti intervened and Germany and Italy passed the Second Vienna Award on August 30, 1940 partitioning Transylvania between Hungary and Romania. Most of the Hungarian-inhabited areas and some Romanian areas were returned to Hungary as a clear-cut nationality division remains impossible in Transylvania. The Award was not regarded as final by any of the participants. The Germans continued to promise "revision" of the award in favor of the most loyal ally and the British and Soviet Government promised the province to the first state leaving the German orbit.

As Romania was first entered by the advancing Russian armies, she had changed sides first and the armistice promised her the administration of northern Transylvania. Yet the atrocities committed by the returning Romanian irregular units were such that the Red Army had to expel the Romanian administration and established its own in October 1944. This was the only known instance of the Red Army intervening directly to save the inhabitants against local terror. Only after Molotov's visit to Bucarest, after the Yalta Conference, resulted in the takeover of a Communist-supported coalition government in Bucarest in March 1945, did the U.S.S.R. agree to turn over the northern part of the province to Romania and decision confirmed by the Paris Peace Conference of 1947.

At the Peace Conference, the United States took the position that the frontiers should be revised in favor of Hungary returning at least the Hungarian-inhabited

frontier zone to Hungary. Russian veto prevented any such revision. The reason for the pro-Romanian Soviet stance was that in the winter of 1946/47 Romania was already in the Soviet orbit while Hungary was still holding out, to be absorbed only later.

In part under Soviet pressure the new Romanian Government, dominated by the Communist Party promised a fair solution to the Hungarian question in Transylvania. Originally, all Hungarian-inhabited regions were to receive an autonomous status but by 1952 only one, the Szekely region received its autonomy and the unit was diluted by adding several Romania districts to it.

The Constitution promised no discrimination on the basis of national origin, use of the mother tongue in courts and public authorities and right of the parents to send their children to the schools of their choice. Fanning national hatred and chauvinist propaganda were barred by the Constitution, a measure usually applied against protesting Hungarians.

It is true, however, that in the first phases social and political reasons rather than national consideration resulted in an intense persecution of the citizens and anti-Communist Romanians and Hungarians were arrested, tortured and executed alike. Congressman Alvin E. O'Konski speaking in the House of Representatives on April 28, 1965 estimated the number of anti-Communist Hungarians killed or deported to the building of the Dahube Canal between 1946-1963 to 278,000. Most of these events occurred in the late 1940s and early 1950s in order to break the Hungarian middle classes and the smallholders, the two mainstays of Hungarian authority now declared "class aliens."

The churches were severally persecuted during this period. The worst fate befell the Greek Uniate Church to which about one-third of the Transylvanian Romanians and some Hungarians also belonged. In 1948 it was united by a State decree with the Romanian Orthodox church. Its bishops were jailed, its clergy dispersed or forced into union with the Orthodox church, many of them died in prison or labor camps. The Roman Catholic Church also suffered grievously with hundreds of its priests and the Bishop of Alba Julia (Gyulafehérvár) jailed for varying periods of time.

It was not, however, after the anti-Communist revolution in Hungary in October-November 1956 that an active persecution of the Hungarian minority as such was resumed. Solidarity feelings with the Hungarian freedomfighters was high among Transylvanian Hungarians and also among Romanian students. After the crushing of the revolt, these two groups were singled out by the Romanian Government for reprisals. The story of their persecution belongs, however, to the specific complaints of the present and will be dealt with topically.

## 2. Geopolitical and demographic features of Transylvania

Geographically, Transylvania constitutes a plateau surrounded by high mountains in the east, south and north. The only sizeable opening lies in the northwest where the province opens toward the Hungarian Plains. There is also a natural opening through the Maros (Mures) valley leading to the Hungarian Plains. Passes toward Wallachia are few and there are only three routes toward Bucarest and Craiova. The situation is similar toward Moldavia in the east.

Thus, geographically and historically alike Transylvania is connected with the Hungarian Plains rather than with the Romanian provinces of Wallachia and Moldavia.

Demographically, Transylvania consists of two major groups: Romanians and Hungarians. The number of Germans was reduced by their flight in 1944 and by Russian deportations in 1944-45 to about 400,000. In the Banat there are also some Serbs, and about 40,000 of the 75,000 Jews in Romania reside in Transylvania.

The number and percentage of the Hungarian minority is hard to determine exactly. Romanian statistics consistently underreported the number. If one believes the Romanian statistics, there was a decrease in the number of Hungarians for 46 years (1910-1956) and only a very slight increase between 1956-1966 so that their number is the same as it had been in 1910, 1.61 million. At the same time, the Hungarian-language publication in Romania, *Korunk* reported in November 1957 that the natural increase of the population of the region was 1.27 percent in 1957 only and the region was mostly Hungarian-populated.

Many authors, therefore, doubt the accuracy of the Romanian statistical figures. The Romanian author, living in the West, G. Satmarescu, writing in *East Central Europe*, edited by Professor Fisher-Galati of the University of

Colorado in January 1975 estimated the number of unreported and assimilated Hungarians to 900,000 in Transylvania, coming to the figure of 2.5 million. The *Handbuch der europäischen Volksgruppen* (Reference Book on European Nationality Groups) published in 1974 by the European Union Movement in German, estimated the Hungarians in Romania to 2.4 million. The Brazilian Transylvanian organization, *Movimento pro Transilvania* using demographic constants of the overall population natural increase in Romania and subtracting changes extraneous to the natural increase came to 2,816,555. Whatever the true figure, it is substantially higher than that of the Romanian statistics of 1966 and is probably close to the figures cited by Satmarescu and the German editors of the Reference Book on European Nationalities as neither of them had any axes to grind.

Their number places the Transylvanian and Romanian Hungarians into the position of the largest national minority in Europe and the continuous abridgment of their human and civil rights assumes more than a local significance.

#### EDUCATION IN THE MOTHER TONGUE AND ADMITTANCE TO UNIVERSITIES

The right to education in the mother tongue is a generally recognized human right. In addition, the Constitution of the Socialist Republic of Romania, Article 22 reads:

"In the Socialist Republic of Romania the co-inhabiting nationalities are assured the free utilization of their native language as well as books, papers, magazines, theaters and education at all levels in their own language."

Let us see what the reality is. Until 1959 there were Hungarian schools where all subjects except Romanian language and literature, history and geography were taught in the Hungarian language. According to Romanian statistics there were about 1,700 such schools on the elementary and secondary levels. There were also two universities and about five colleges (four teachers college and one performing art college). While these figures were considerably lower than the number of Romanian schools in Hungary in 1914, they were considerably higher than the figures in 1974/75.

After 1957 the Romanian Government began a systematic campaign to restrict and eliminate Hungarian educational institutions. According to the *Handbook of European Nationalities* the figures for 1974 are as follows:

In 1956 there were still 1,022 four year elementary schools in Hungarian in Transylvania. Today there are 750. Mixed Romanian-Hungarian schools were 38 in 1956, 316 in 1973. Seven year (later eight year) elementary schools in Hungarian were 493 in 1956, 26 in 1973. Romanian-Hungarian high schools were 43 in 1973. Vocational and specialized high schools are all Romanian in Transylvania.

In 1956, two Hungarian universities were in existence: at Cluj and at Tirgu Mures. In 1959 they were merged and today only their names remind us of their character (Universitatea Babes-Bolyai), for there are no courses given in Hungarian except for those at Cluj in Hungarian language and literature.

These figures prove the deliberate policy of dissolving (a) any independent Hungarian schools, leaving only Hungarian sections in Romanian schools, and restricting (b) the number of Hungarian sections. The latter is done both by indirect pressures like rendering it excessively difficult for graduates of the Hungarian sections to enter the next higher level of schools and by dissolving Hungarian sections for the resulting "lack of popular demands." Reports received from Transylvania relate that while a Romanian section in a Hungarian area would be established at the request of three to four Romanian parents, a Hungarian section in a Hungarian area would need the application of thirty or more Hungarian families.

The ensuing situation favors the attendance of Romanian sections by Hungarian children even on the elementary levels. Two affidavits signed by blue-collar people who had emigrated from Romania to Brazil in 1974 both attest that many parents consider Hungarian education as a sentence for their children to remain in the ranks of the laborers. On May 12, 1975 the Embassy of the Socialist Republic of Romania published "Background Material" on the co-inhabiting nationalities in Romania. This information is certainly not biased against the Romanian state, but it also shows that only 5.9% of the grade school population attends Hungarian sections on the elementary level, i.e., at least one-third to two-fifths of the Hungarian children in Romania attend Romanian schools. So much for the freedom of choice of education in the mother tongue.

Yet the situation is much worse on the secondary level. Romanian secondary education distinguishes among several types of *lycées* (high schools). Besides the general, liberal arts-type of *lycées*, there are various types of specialized *lycées* like commercial, performing arts, vocational, teachers education.

Reliable data on the secondary schools may be found in local publications. In the almost 50% Hungarian Mures (Maros) county in 1973 30 of the high school graduation commissions (based on the number of students taking the examination) were Romanian, nine Romanian, and four mixed Romanian-Hungarian. In addition to the following *lycées* had only Romanian commissions. The Commercial, the Health and Nursing, Machinist Vocational, Electrotechnical, Architectural, Agricultural. Only the Teachers Education *lycée* had also a Hungarian section as did the *lycée* for Performing Arts. In Cluj (Kolozs) county with a Hungarian population of 35-percent there were nine Romanian commissions, five mixed commissions and six-Hungarian commissions. However, again all Economic-Commercial, Transportation and Agricultural *lycées* were only given examinations in Romanian.

These data were contained in the June 16, 1973 issue of the *vörös/Zászló* (Red Flag), the Hungarian-language newspaper of the Romanian Communist Party at Tirgu Mures (Marosvásárhely) and of the *Igazság* (Truth), the Hungarian-language newspaper of the Romanian Communist Party at Cluj (Kolozsvár), August 11, 1973.

The Background Material of the Embassy of the Socialist Republic of Romania mentions that only 3.8% of the secondary school population is attending Hungarian sections. Thus, between sixty and seventy percent of Hungarian children in Romania attend Romanian sections. This is a self-indictment of the Romanian guarantee of freedom of choice of education in the mother tongue.

The differential between the elementary and high school students cannot just be explained by the forced Romanization of all specialized *lycées* or the compulsory attendance of the first year of the *lycée* by all students in Romania since 1973. The hopelessness of entering university upon graduation from a Hungarian section of the liberal arts *lycées* also plays an important role. Unfortunately reliable statistics are not available on how many of the graduates fail the entrance test but we know of many individual cases where this was the case despite the fact that in one case the failing student won a nationwide science award in 1967 a year before taking the examination.

Some people might think that it would be useful for the Romanian children of Hungarian ethnic background to attend Romanian section, as he would learn the language of the country fluently helping his later career. Yet there is much more involved here. By attending a Romanian section, the student is not permitted to converse in Hungarian even during recess which becomes rather awkward when in Hungarian areas like Oradea (Nagyvárad) and Cluj (Kolozsvár) half or more of the children in some Romanian sections are Hungarian. Second, a student in Romania must learn proficiency in Romanian whether he attends a Hungarian or Romanian section. Three hours a day his instructional language is Romanian even in the Hungarian sections. In addition, even in the Hungarian section he is exposed to a biased and distorted view of the history of the Hungarians in Transylvania who are pictured in many textbooks as barbarian nomads who had settled and lorded over the civilized Romanian population for 1,000 years. Self-hatred or resentment are the consequences of having to learn such "history." In an age when in Europe there are historical commissions even between the West Germans and the Poles to eradicate chauvinist views from one another's school textbooks the Romanian educational system did not yet progress to the point where a schoolbook commission would have been formed with historians of "friendly" Communist Hungary except on the highest academic level.

The education of the Hungarian technical intelligentsia in the fully Romanian specialized *lycées* resulted in the pessimistic article in the Hungarian-language Communist monthly *Korunk* at Cluj (Kolozsvár) in June 1972 as follows:

"The number of the technical intelligentsia and skilled workers with vocational training will be even greater in the future . . . It remains an open question whether those who are alienated from the mother tongue during their vocational training will yet retain the mother tongue? Will they still read novels, poems of poets of their nationality, will they attend theater and be interested in the daily press in the mother tongue if they will have been brought up in the school exclusively in the climate of Romanian literature? Will they not become indifferent to all possible culture?

"It would be unjust if the technical intelligentsia by becoming multilingual would lose its mother tongue and become thereby rootless individual to those hundred thousands who retain the mother tongue . . . The existence of a rootless, pro-assimilation type of man does not belong to the interest of a socialist state which was to be built on the principles of equal rights."

Another blow against education in the Hungarian language was the Decree Law 278/1973 of May 13, 1973. It was elaborated upon in the *Boletín Oficial* of July 9, 1973 (No. 100/1973). The decree calls for the unification of classes with insufficient number of students. An elementary school with eight or ten grades can be maintained only if all classes have at least 25-36 students. If there are not enough students for the grades 5-8 or 5-10, the school will be restricted to the first four grades and the students will be concentrated in other villages and towns and become boarding students. The question remains: will these boarding schools be located in Romanian villages and towns as many of the villages in Transylvania range between 500-1000 inhabitants.

Another regulation of the decree is that in any village or town which possesses a nationality school section, a Romanian school section must be maintained regardless the number of students. In the liberal arts *lycées* the regulations are identical which will render the maintenance of Hungarian section difficult as a Romanian section will be established and usually there are only enough students for one class.

Entrance examination even on the *lycée* levels are given in Romanian. In the vocational high schools, according to affidavits of former students, if you fail physics or mechanics, you can take a second examination, but if you fail Romanian, you must repeat the year.

Reliable informants from behind the Iron Curtain tell us that between 1972-74 the Romanian Ministry of Education constituted 50 vocational high school sections for Romanian children of Hungarian ethnic background. A year later, physics, mechanics and other science subjects were taught in Romanian by regulations of the government and by 1974 only physical education and Hungarian language and literature were taught in Hungarian. But the sections are still listed as "Hungarian."

Let us take the statistics provided by the Embassy of the Socialist Republic of Romania for university and college students. There is no more mention of "Hungarian sections" as except for a few seminars in Hungarian language and literature even the Universitatea Babeș-Bolyai and its Medical-Pharmaceutical School at Tirgu Mures (Marosvásárhely) have been Romanized as far as the language of instruction is concerned. Some Hungarian-language courses survive at the Teachers Colleges of Tirgu Mures (Marosvásárhely) and Odorhei (Székelyudvarhely) to train teachers for the Hungarian sections, but their number and the number of the Hungarian ethnic background trainees in them is constantly decreasing. Already between 1960 and 1968 the percentage of Hungarian students in the purely Hungarian town of Odorhei (Székelyudvarhely) at the College fell from more than eighty percent to about fifty percent and today their share is even less.

The Embassy lists 6,188 Romanian students of Hungarian ethnic background at all Romanian universities or 5.9% of the student population. Again the percentages show that one-third to two-fifth of the Hungarian students are not admitted to the universities. The only logical explanation would be if the Hungarians were generally less educated than the Romanians, a conclusion hard to maintain even after sixty-five years of Romanian rule in Transylvania. Direct measures, like failing them at the entrance examination, or indirect measures or restricting the number of students to be admitted to any department of the university and favoring Romanians for the restricted places are the means of accomplishing this end.

The statistics fail to give us insight on how many of the Hungarian students admitted stay at Cluj (Kolozsvár) and how many are admitted to universities in the "Old Kingdom" like Bucarest, Iasi, Craiova.

The Embassy did not provide statistics on the university graduates either. Besides scores of individual cases known to us personally, there are two data which seem to prove our contention that they are dispersed by assignment or by favorable offers to purely Romanian areas where they marry in most cases Romanian girls and their children become completely Romanized. Thus, even with their superior education, they cannot form the intellectual leadership of the Hungarian minority.

These two data contained:

(1) Letter of the State Department to the late Glenn Cunningham (R., Nebr.) and several other members of the United States House of Representatives in September 1967 which had stated:

"The method of assigning jobs to most university graduates on a nationwide basis rather than according to the desires of the individual tends, in addition, to scatter Hungarian intellectuals throughout the region."

(2) Statement of Rector Stefan Pascu, President of the University Council of the Universitea Babes-Bolyai at the ceremony of awarding doctorates on June 30, 1973, as reproduced in *Igazság*, July 1, 1973. According to other information, the share of the Hungarian students at the university is approximately 30 percent. According to Rector Pascu over one-third of the recipients of the doctor's degree were provided employment outside of Transylvania and ten percent were given jobs in the most Romanian city of Transylvania Timişoara (Temesvár).

The examples of Romanizing the secondary and higher education in Romania is not restricted to the cities and mixed counties. The most Hungarian county in Transylvania is Harghita (Csik) with an almost exclusively Székely population. The county seat is Csíkszereda (Miercurea Ciuc) with 20,000 inhabitants. The town has two *lycéés* and the second one is strictly Romanian. The majority of the teachers and the director were Romanians, from the graduating class of 1973-74 there were 30 Hungarians and 27 Romanians. But the language of instruction has been exclusively Romanian.

The above data clearly prove the denationalization policies of the Romanian Government in the field of education and the discrimination against those attending the remaining Hungarian sections of the school system. In 1973 the situation was aggravated by the compulsory attendance of the first year of *lycée* by all students. This put a great strain on the *lycéés* necessitating the expansion of instruction in the first year classes. According to information received this procedure was utilized to reduce the number of new sections for Hungarians proportionately in many areas.

#### EMPLOYMENT OF ROMANIAN CITIZENS OF HUNGARIAN ETHNIC BACKGROUND IN STATE AND PARTY POSITIONS

The Constitution of the Socialist Republic of Romania in Article 17 states:

"The citizens of the Socialist Republic of Romania irrespective of nationality, race, sex or religion, have equal rights in all fields of economic, political, juridical, social and cultural life.

"The state guarantees the equal rights of the citizens and no difference in their exercise on the grounds of nationality, sex or religion are permitted.

"Any expression aiming to establish such restrictions, nationalist-chavnist propaganda, the fanning of racial and national hatred are permitted by law."

The translation is taken from *The Constitution. Standing Orders of the National Assembly. Electoral Law*. Bucarest: Meridiane Publishing House, 1969.

What is the reality of these promises?

(1) Hungarians in the Economic Life of Transylvania and Romania. Almost every affidavit received both at the present, and in 1965-68, spoke about definite job discrimination, particularly on the managerial level, against Romanian citizens of Hungarian ethnic background. A Protocol signed in Sao Paulo, Brazil on March 22, 1975 by a former Oradea (Nagyvárad) resident states:

"In the plant, officials and artisan foremen were 90% Romanian, but 80% of the workers were Hungarian. In the office only Romanian was spoken—for without its knowledge nothing could be accomplished, in the plant we all talked Hungarian."

In Tirgu Mures (Marosvásárhely) with a Hungarian majority, the directors of the three largest enterprises (state-owned) were one Romanian, one German and one Hungarian.

The Embassy of the Socialist Republic of Romania in its Background Material attempted to deny our allegations by publishing statistical data on middle and top management and engineering positions in state enterprises. The data has shown some Hungarians in middle and top management positions in industry and industrial design although the share was again only 5.39% instead of the Hungarian percentage in the overall Romanian population of officially 8.5% but in reality about 10%.

The Romanian data makes no differentiation between managerial and engineering positions. It is common knowledge that the only top and middle level positions occupied by Hungarians are those of chief engineers.

According to data published in the *Vörös Zászló* (Red Flag) in 1973, in Mures (Maros) County with an almost 50% Hungarian population, all major officers and committee chairmen of the Agricultural Cooperatives Association, the President of the State Cooperative Stores Association and seven of its eleven Board members were Romanian. This does not square with the information provided by the Embassy of the Socialist Republic of Romania that 6.3% of all directors, chief engineers, farm managers, division chiefs of the State Agricultural Enterprises and Agricultural Machines Units and presidents of Agricultural Productive Cooperatives are Hungarian. However, if the statistics are correct they still show the share of the Hungarians about one-third too low. Neither is it explained how many of the positions held by the Hungarians are engineering rather than managerial positions. In turn, they do not mention as to how many of the Hungarian engineers and managers are stationed in purely Romanian areas.

In regard to civil service jobs, Hungarians are virtually excluded from any law enforcement positions and officers' positions in the army. Many people from the Székely area who had emigrated lately state that even in this compact Hungarian region they did not come across any police, gendarmerie or army officer of Hungarian ethnic background. In addition, some of the people stated in writing that the Romanian state requires documentation of the ancestry of the applicants for two generations and those of Hungarian ethnic background are not admitted to the competitive examination. Interestingly, the Embassy data was silent on this issue. Rather it tried to show that the local people's councils have a more or less adequate Hungarian representation.

The Embassy data is incomplete here, too. It fails to show the percentages in the People's Council of the Székely-region and the Oradea (Nagyvárad)-Său Mare (Szatmárnémeti) region and the Hungarian-inhabited urban areas in Transylvania. It may be that Hungarians are well represented in areas where they form a small minority, but in heavily Hungarian areas they are grossly underrepresented. Our data comes from the newspapers *Vörös Zászló* and *Igazság* during 1973.

In Mures (Maros) County only one-third of the Party Central Committee members, only one-fourth of the party secretaries were Hungarian. The first secretary was, of course, a Romanian. In the Communist Youth organization, UTC, the first secretary, the organizing secretary, and eleven of the eighteen members of the Secretariat are Romanian. In the city of Tîrgu Mures (Marosvásárhely) with an absolute Hungarian majority, the Mayor, the Chief School Inspector and nine of the thirteen City Council members (committee chairmen) are Romanian as is the Chairman of the Woman's Committee.

In Cluj (Kolozsvár) County with a sizeable Hungarian minority, the Party Secretary is also the Chairman of the Executive Committee of the County Council and he is Romanian as are nine of the eleven committee chairmen of the County Council. In Sighirna (Segesvár) with a sizeable Hungarian minority not one of the City Council committee chairmen are Hungarian, all of them except for one German member, are Romanian. The examples could be continued for several pages.

#### DENATIONALIZATION OF THE HUNGARIAN CULTURE AND HISTORY IN TRANSYLVANIA

Educational and job discrimination are not the only complaints of the Hungarian minority. Their historical presence in Transylvania continues to be a target of Romanian measures which seek to eliminate the documents and buildings and tombstones reminding the people of the Hungarian past.

The measures are manifold. Lately, the most flagrant one was the Decree Law of December 10, 1974 about National Cultural Treasures. The decree provided for the transfer of all archival materials, pictures art objects, letters, church records, films in private possession. This seems to be *prima facie* a good suggestion. If one analyzes the debate in the Grand National Assembly, the way the decree is being implemented and the *ex post facto* character of the law in many instances, a different picture emerges.

As the Law is concerned only with documents and letters over 40 years old, most of them deal with the pre-1919 Hungarian past of Transylvania. In the

debate at the Grand National Assembly, Louis Takács, a member of the Romanian Communist Party and deputy of the Assembly explained:

"For twenty-five years no archival instruction was provided at the universities. The archival officials no longer understand the Old Slavonic, Classical Greek and Hungarian and Latin languages. They could only provide for the preservation of the materials. But the latter would be inaccessible as it could not be organized, and being deprived of usage even the danger of their destruction would exist."

Deputy Takács added that even the national archives of the Romanian Academy of Arts and Sciences employ only three Hungarians out of a staff of 28, and perhaps three more Romanians who read Hungarian.

In addition, according to the *Neue Zürcher Zeitung* of February 2, 1975 and the *Washington Star-News* of March 1, 1975, the implementation of the decree was both primitive and crude. In 200 Hungarian Reformed Churches in Transylvania documents and records were confiscated by "the truckloads" even before the passage of the decree law and the suspicion persists that the law was passed *ex post facto* to legalize the seizures. The documents were neither sorted nor catalogued and some of it might have been misplaced or destroyed in the process.

Representative Edward J. Patten (D., N.J.) speaking in the House of Representatives of the United States on May 7, 1975 stated:

"Past experience makes Hungarian experts in Romania to fear the destruction of some and inaccessibility of most of the documents. That is, when the new State archives were built in Cluj-Kolozsvár—construction workers used "documents in unknown languages"—that is, Hungarian and Latin—for kindling their open fire during the cold winter days."

The material are substantial. Already before the implementation of the decree law of December 10, 1974, the Romanian Academy of Arts and Sciences acquired two million archival documents and books from the Transylvanian Museum Society and 170,000 volumes from the libraries of the former Protestant College, the Piarist Preparatory School and the Unitarian *Gymnasium* at Cluj (Kolozsvár) alone.

Transfer of historical records into State administration constitutes only one measure. Another measure is the elimination of Hungarian street and place names. Visitors to Transylvania unanimously report that only occasionally do they find any signs in both Romanian and Hungarian even in purely Hungarian areas. Post cards of Cluj (Kolozsvár) have titles in four languages, but not in Hungarian, although half of the city's population is Hungarian. Not only place names are, however, listed only in Romanian even in some of the Székely counties, but street names in Hungarian are also increasingly eradicated.

Data reported in the *Vörös Zászló* and *Igazság* in 1973 on the supplementary elections to the Grand National Assembly in Tirgu-Mures North and Cluj No. 5 districts shows as follows.

In Tirgu Mures the district was mainly Hungarian, although the candidate had been the Romanian mayor of the city. The second district was mixed Romanian-Hungarian, including new low income housing. The candidate here, too, was a Romanian.

The ratio of street names was as follows: Tirgu Mures-North: 16 Hungarian and 46 Romanian street names. In Cluj No. 5 16 Hungarian and 131 Romanian street names.

Letters received from Transylvania speak of the bulldozing of Hungarian cemeteries in Cluj (Kolozsvár) and other urban areas and the replacing of Hungarian with Romanian graveyards in other instances. Tourist material on the medieval castles and estates in Romanian make no mention about the owners of these castles at the historical period, so that the Western tourists must think that they were products of Romanian culture.

To this should be added the biased presentation of the history of the province in the textbooks and academic presentations and we have the makings of a deliberate policy of Romanizing the history and the localities of Transylvania despite the Hungarian past and the Hungarian presence of and in the province.

#### PERSECUTION OF THE CHURCHES AND THE FAITHFUL

One of the most poignant complaints not restricted to members of the Hungarian nationality, concerns the attitudes of the Romanian Government and the Communist Party toward the Christian churches, particularly those of the national minorities.



For religion in Romania denotes nationality. The Romanians are almost all Romanian Orthodox. The church suffered considerably in the late 1940s and 1950s, but because of the cooperation of Metropolitan Justinian with the government, some of the monasteries were returned to them, although the church continues to be harassed.

No such tolerance was shown toward the other churches. Hungarians in Transylvania are Roman Catholic, Protestant Reformed or Unitarian. Germans are mostly Lutheran, but the Swabians of the Banat are Roman Catholic. All of these churches felt the heavy hand of persecution. Out of the four Catholic bishoprics only two are filled and the second bishop recently appointed is a Romanian for the see of Iasy where there are only Hungarian or Romanized Hungarian Csángó Catholics. Only the see of Alba Julia (Gyulafehérvár) remained constantly occupied, but Bishop Márton, a Hungarian, was imprisoned for several years and regained full freedom only in 1967. Many of the monks, sisters and priests spent varying years in labor camps and prisons at least until 1964. There exists only one theological seminary at Alba Julia (Gyulafehérvár) and one religious magazine. Religious instruction in the schools, although optional under the Constitution, is practically non-existent in view of the brutal pressures parents are exposed to if they enroll their children in religious classes.

The Protestant Reformed Church has two bishoprics but its functions are equally curtailed. It also has only one theological seminary for its 800,000 faithful and one religious magazine. Religious instruction in the schools is virtually non-existent.

The Unitarian church forms a small denomination of about 70,000 Hungarians and was less harassed. Yet before 1964 many of its ministers were also arrested.

Other Protestant denominations of evangelical nature, like the Seventh Day Adventists encounter brutal oppression. According to the telegram of the Christian Mission to the Communist World to Representative Michael Harrington (D., Mass.) reprinted in the *Congressional Record* of May 12, 1975, the following events are taking place:

"According to our latest information, reformed adventists are also in prison in Romania. They are compelled to work on Sabbaths which they refuse. They are punished—thirty lashes. Chains are put on their feet which weigh sometimes 40 pounds. The chains have spikes that hurt. Thirty-two persons would be put in a cell with a maximum capacity of sixteen. Sixteen lie on the floor and sleep while the others are standing around so as not to disturb their peace. Every two hours they change. They are put under cold showers in winter."

The telegram quotes many individual names of those arrested or fined and many localities, including some of them in the Hungarian areas of Transylvania like Covasna (Háromszék) county.

Another form of church harassment concerns a decree law in 1974 forbidding church officials to receive any gifts or presents from abroad. This is a flagrant discrimination as individual Romanian citizens are allowed to receive such assistance from abroad.

The decree hits the minority churches which have powerful and affluent communities in the Western world and were dependent to a great extent for their charitable work and existence upon such gifts. This is true of both Hungarian Protestant denominations and also of the Roman Catholic Church.

It might be mentioned that there is no treaty in existence with the Vatican and the Roman Catholic prelates are subject to the interference in their appointment of pastors and chaplains by the Ministry of Cults comprised of atheists.

#### HUNGARIAN CULTURAL INSTITUTIONS IN TRANSYLVANIA

Even the State Department memorandum of September 1967 recognized the gradual curtailment of Hungarian cultural institutions in Transylvania. Yet the most flagrant complaint concerns not the decline of their numbers, but a redefinition of their role in Romania.

For example, the Romanian Embassy tells us that there are six Hungarian drama theaters in Transylvania which is a modest but not completely inadequate number for the minority. Of course, it is not reported that only three of them are permanent stage companies (Oradea-Nagyvárad, Cluj-Kolozsvár and Tîrgu Mures—Marosvásárhely). More importantly, it is not being told that these dramatic theaters do not exclusively, or even for the majority, produce Hungarian plays. While some admixture is probably useful, a comparison of the 1973-74 season's programs by the Cluj (Kolozsvár) Romanian and Hungarian theater

will be useful. The Romanian National Theater produced seven plays, *all of them Romanian*, although the drama critics objected that except for two, their level was rather low. The Hungarian theater produced six plays, two of them Hungarian, two of them Romanian, one Russian classical, and an American contemporary.

A Folk Dance Ensemble exists for Hungarians in Tirgu Mures (Marosvásárhely). Theoretically, it should be devoted to the continuance of Hungarian folk dances of the region. Yet during the 1973/74 season, it performed a fourteen dance repertory of which only three were Hungarian dances, and seven of them Romanian folk dances.

There exists only one literary journal of high standards, *Korunk* (Our Age). In the year 1974 over fifteen percent of the journal, and about one-fourth of its literary offerings were devoted to translations of essays, short stories and poems from Romanian.

The weekly literary magazine is *A Hét* (The Week). Here at least 35 percent of the printed material relates to the Romanian Communist Party activities or to translations of the works of Romanian authors.

There are a large number of Hungarian language dailies and weeklies in Transylvania, according to the Romanian Embassy 32. But if we look closer, their numbers, frequency and pages have all declined during the last two years. The major daily of the purely Hungarian counties of Harghita, Odorhei (Udvarhely) and Covasna (Háromszék), *Harghita* was reduced from a daily to a weekly and many other Hungarian publications now appear in reduced quantities.

The reduced quantity is only a small part of the general complaint. Anyone reading these dailies and weeklies must realize that they have little to do with the concerns (political, economic and cultural) of the Hungarian minority. It is true that all Romanian publications are guilty of personality cult of President Ceausescu surpassing even their Russian counterpart in the days of Joseph Stalin. There are no issues which would not devote at least five to ten percent of their space to the praise of the President or to the reproduction of his speeches and travels. Another ten to twenty percent of the material reproduces the debates and resolutions of the Romanian Communist Party and its local and county organizations. This fills about one-third of the paper already.

Local news occupy about one-fourth of the paper and another ten percent is devoted to advertising for positions and rooms. The remainder is about equally divided between articles on Hungarian and Romanian culture. Thus articles on Hungarian culture fill at best half a page of a four pages paper, with reporting on international events another half page.

The structure of the specialized publications for young Communists, women and other groups is even worse. Here the Communist ideological material and adulatory articles about President Ceausescu fill almost half of the paper and about 25% more is devoted to pictures on the above subjects. The rest is usually filled with stories on exemplary Communists, Romanian and Hungarian.

There is no Hungarian Literary Association, an organization which was even tolerated by the Royal Romanian Government between the two World Wars. Only a Hungarian section of the Romanian Writers Association is permitted at Cluj (Kolozsvár). Hungarian culture still had many accomplishments in literary fields. The novels of András Sütő form part of the best Hungarian literature of the last decade. Charles Köss is regarded as one of the great of modern Hungarian literature and the folk ballad collections of Zoltán Kallos among the Moldavian *Csángós* and the Székely Hungarians of Transylvania were trailblazing in their fields.

There is only Hungarian-language publishing company in Bucarest (*Kritérion*) which tries to balance lack of available paper and Romanian censorship against the high quality of available manuscripts. Small quantities of works of substantial literary merit are thus published. The problem is that because of the small quantities of editions and their distribution in Hungary and the West as well, the Transylvanian Hungarians have difficulty purchasing them in Romania.

Textbooks for the Hungarian sections are scarce. In the late 1960s only 5,000 textbooks were produced each per year for more than 200,000 students of the Hungarian sections. The situation is a little better now as the number of students have decreased, but it remains grossly inadequate. It must be remembered that both the needs and the requirements of the Romanian-speaking public and students have been fully satisfied in the last decade, but not those of Romanian citizens of Hungarian ethnic background.

Writers are subject to arrest, non-publication and denunciation. Zoltán Kallos, the great ballad collector was arrested last fall upon allegations of smuggling currency out of the country and of homosexuality. Five of the six accusing witnesses withdrew, but a short while ago he was still under arrest. His case is by no means unique.

One of the sorest points remains the absence of any adequate TV or radio program in Hungarian. The Romanian Embassy shows 128 hours per year for the TV program. According to *Vörös Zászló*, *Igazság* and *Szabad Szó* there are 2½ hours telecast each week. 1½ hours on Sunday morning and 1 hour at 5:30 P.M. on Thursdays. As far as radio programs are concerned in the city of Tirgu Mures with an absolute Hungarian majority there are two daily programs, one between 6 A.M. and 6:30 A.M. This includes news, reports on local music and records. The afternoon program is between 6-7:30 P.M. which also includes industrial news and reports on arts and entertainment. The same intensity of programming is not available in other cities.

Thus, even in the most Hungarian city of the province, only 2.5% of the TV and 14% of the radio programming is in Hungarian.

There are few Hungarian cultural organizations, but there are some dealing with local history and others spreading Party propaganda.

#### DISCRIMINATION IN HOUSING OPPORTUNITIES FOR HUNGARIANS IN THE CITIES OF TRANSYLVANIA

This item can only be proven indirectly, for discrimination in this field is practiced rather than decreed. An evolution of the statistical data of the cities between 1948 and 1975 proves, however, the existence of such discriminations.

(1) Forced industrialization during the period resulted in a tremendous expansion of the residents of the major Transylvanian cities. Cluj (Kolozsvár) Timisoara (Temesvár), Brasov (Brassó), Arad, Oradea (Nagyvárad) and Sibiu (Nagyszeben) accounted between 1956 and 1966 for 50 percent of all urban population increase in Transylvania. All of them had decreasing Hungarian population percentagewise, and only in Cluj (approx. 50%) and Oradea (approximately 70%) had Hungarians still formed a majority in 1966.

(2) The result is that except for Oradea (Nagyvárad) and Tirgu Mures (Marosvásárhely) and possibly Cluj (Kolozsvár) all Transylvanian cities lost their Hungarian majorities. This could not be accounted for by a lower natural increase of the urban Hungarian population, or by the losses suffered by war, flight and deportation in the 1940s and 1950s. At best, their number would have increased less rapidly than those of the Romanians. But Brasov (Brassó, Cluj (Kolozsvár) and Tirgu Mures (Marosvásárhely) and Baia Mare (Nagybánya) were all surrounded with sizeable Hungarian rural settlements and except for active discrimination in allotting the limited housing space for new arrivals to the Romanians the old ratio would have been more or less maintained. In Cluj (Kolozsvár) the 1930 Romanian census still showed 70 percent Hungarians, the 1941 Hungarian census 85 percent. The 1966 census listed only close to 50 percent Hungarians. An even more flagrant example is provided by the mining and industrial town of Baia Mare (Nagybánya). Here the Hungarians still comprised 47 percent of the population in 1956 but only 29 percent in 1966. In the words of the Romanian author G. Satmarescu, writing in *East European Quarterly* at the University of Colorado, January 1975 issue:

"Whether or not it is a deliberate policy to reduce the strength of the Hungarian minority in the urban areas of Transylvania, there is evidence of administrative measures, such as the discriminatory allocation of housing units, which make it more difficult for rural Hungarians to move into the large urban centers than their Romanian counterparts."

The only city in which the Hungarian share increased insignificantly was Brasov (Brassó) but this was mainly a result of the emigration or deportation of the German minority in the 1940s and 1950s.

(3) Because of the shortage of apartments and rooms Hungarians receive only in exceptional cases permission to settle. One individual case might illuminate the contention. The daughter of a Hungarian family in Cluj (Kolozsvár) left in the 1960s for a university outside of the city to finish her teacher training. Her share of her family's apartment, one room, was assigned by the state to another person (Romanian) who had moved in with the family. Four years later, the daughter was given an elementary school teaching position at Cluj (Kolozsvár). She applied for her old room in her family apartment. She was refused and was

not even given a room in Cluj (Kolozsvár) and wound up finally in a village 25 miles from the city and had to commute for years to her school in the city.

(4) There has been an increase of Romanians in Transylvania not only by natural increase but also by immigration from the "Old Kingdom." According to the Romanian sociologist Satmarescu:

"When viewed regionally, the age structure suggests quite heavy net immigration of population to Hunadeora, Brasov, Caras-Severin, Sibiu, Timis and Cluj counties . . . On the other hand, age structures indicate significant net out-movements from Arad, Bihor, Bistrita and Salaj counties, and to a lesser extent from Covasna, Harghita, Alba and Satu Mare."

It may be noted that the net out-movements occurred, except for the mountainous and unindustrialized Bistrita county from counties with a Hungarian majority (Harghita, Covasna) or substantial Hungarian minority (Satu Mare, Bihor and Salaj). All the net in-migration occurred into purely or overwhelmingly Romanian areas, except for Cluj county.

A second argument is that the natural fertility rate of the Transylvanian Hungarians is close to that of the Romanians. In Transylvania in 1969 the Hungarian counties of Harghita and Covasna ranked first and second in fertility and Satu Mare occupied the fourth place. Even if the more outspokenly urban character of the rest of the Hungarian population in Transylvania offsets the fertility rates of the above counties, there is no evidence of a widening fertility gap in favor of the Romanians.

At this point the sociological and ethnic consequences of the dispersal of Hungarian intellectuals into purely Romanian areas and the out-movement of workers from the Székely area to Romanian cities must be considered.

Statistical data quoted by Satmarescu in 1965 about one-fourth of the marriages concluded by Hungarians in Romania were to Romanians. Mixed marriages, more significant in urban than in rural settings, thus form an important mechanism of voluntary assimilation.

Satmarescu also states that the Hungarian population is notoriously under-reported in Romanian statistics and estimates the number of those underenumerated and assimilated to 900 thousand in 50 years.

#### USE OF THE HUNGARIAN LANGUAGE AND PUNITIVE MEASURES AGAINST PROTESTERS

Reports vary about the freedom to use the Hungarian language in public. It should be remembered that the Constitution provides for the free use of the mother tongue before the authorities, in courts and requires translators at the police and the courts to be present.

Reality is again different. Except for the purely Hungarian Székely region, free public use of the Hungarian language might result in sneering remarks, insults or even bodily injury, particularly in the cities where Hungarians now form a broken Hungarian, creating a clear disadvantage for persons not fluent in reason to believe, according to testimony received from recent immigrants that these abuses are not a thing of the past.

Even in the most Hungarian regions, law enforcement agencies speak at best a broken Hungarian, creating a clear disadvantage for persons not fluent in Romanian. This is a clear violation of the constitutional guarantee that officials in such areas must speak the mother tongue of the nationality and be familiar with their customs and life style.

In offices and stores there are no Hungarian signs, only in Romanian. As the author of the article in *Osteuropa* in December 1974 stated: "Zur Frage der Gleichberechtigung der Minderheit n im heutigen Rumänien". "At the place of work only Romanian must be spoken." In major cities and spas there are signs in foreign languages but not in Hungarian. At state and county offices Romanian must be spoken by any Hungarian who has any facility in that language.

The constitutional guarantee against "fanning national or racial hatred" and "against chauvinist propaganda" is not employed to protect the Hungarian minority against the abuses of some members of the Romanian majority. Rather the provisions are enforced in order to silence Hungarian protesters. Even at Party cell and county committee meetings, Hungarian Communist party members are accused of "bourgeois-nationalist" deviation and "chauvinist" propaganda if they protest the abuses. We have information that even at the highest Party levels, the few Hungarian members were brutally put down last fall when they protested some of the discriminatory measures against their nationality.

Another strange decree law was passed this year and involves tourism. Almost every European country, even those of East Central Europe encourage tourism

from the West in order to gain hard currencies. Yet the promotion of tourism is reflected in unusual measures of the Romanian state. If someone has an immediate relative in another country he or she will probably visit the same and stay at their homes and enjoy their hospitality. In case of the Hungarian minority they have many family ties in the Western world and Hungary. The new decree provides that only spouse, parents and children can stay at private homes, all others including grandparents, grandchildren, nieces, nephews, uncles and aunts must spend their times at hotels paying preposterous prices. The net effect will be to discourage family reunions and this again hits the Hungarians more as they have more relatives abroad.

The above data was collected in a kaleidoscopic manner both from Romanian publications, recent emigrants and travellers in the area. They show the abuses which the Hungarians in Romania suffer and which are illegal even under the Romanian Constitution. Without alleviating them, Romania should not be entitled to our support of the MFN status.

#### STATEMENT OF BISHOP BEKY

Mr. Chairman, the Commissioners of the General Assembly of of the Hungarian Reformed Church of America were meeting in regular session between June 1-3, 1975, in Ligonier, Pa. They were shocked about news received on the situation of the Hungarian Reformed brethren in Transylvania, now a province of Romania. We have almost 1.2 million Reformed brethren there, about half of the Hungarians in the province.

May I read some salient points of the resolution?

May I also note that many of our ministers have been imprisoned, and some of them died in prison or have been released only when they became deadly sick. Among those who died in prison were Minister Charles Orban and those who died shortly upon their release was Dezső Szabó from Cluj (Kolozsvár).

As our Memorandum points out there is practically no religious instruction in the schools, gifts from abroad, the mainstay of the economy of the church faced with an actively atheistic state are no longer allowed since the summer of 1974, and as the resolution points out the historical records of the churches were confiscated even before the records of other churches in Transylvania.

We protest to grant the Trade Agreement and the Most Favored Nation status until the Romanian Government respects Human Rights in Romania.

EXCERPTS OF THE MINUTES OF THE MEETING OF THE COMMISSIONERS OF THE GENERAL ASSEMBLY OF THE HUNGARIAN REFORMED CHURCH OF AMERICA HELD ON JUNE 1 TO 3, 1975, IN LIGONIER, PA.

"The Commissioners of the General Assembly of the Hungarian Reformed Church of America were shocked to receive information about a new wave of persecution of Hungarians in Transylvania by the Romanian Government, especially the 1.2 million members of the Hungarian Reformed Church.

"The General Assembly therefore requests that the World Alliance of Reformed Churches, the World Council of Churches, the President and the Secretary of State and the Congress of the United States should immediately undertake steps aiming at stopping this new wave of oppression and investigate the facts. We have news of medieval-type methods used and also of the confiscation of historical church archives and records by the Romanian Government. The intention is to eradicate the historical traces of the presence of Hungarians and Protestantism in Transylvania amounting to cultural genocide."

Senator RIBICOFF. Mr. Crawford.

#### STATEMENT OF HON. WILLIAM A. CRAWFORD, DIRECTOR OF FOREIGN RELATIONS OF WJS, INC. FORMER U.S. AMBASSADOR TO ROMANIA

Mr. CRAWFORD. Mr. Chairman and members of the committee, I am pleased to have the opportunity to appear today in my capacity as former U.S. Ambassador to Romania now serving as director of for-

eign relations of WJS, Inc., a firm of East-West marketing consultants with headquarters in Washington, D.C.

WJS represents a number of American companies in their business dealings with Eastern Europe. One example of our activity is the agreement we assisted General Tire International Co., to enter into with Romania in 1973 for the design and construction of a \$75 million modern manufacturing plant to make radial truck tires. The project resulted in the sale of U.S. machinery and technical services valued at \$36 million and remains one of the largest individual manufacturing ventures to be negotiated by Romania with a western company.

I have retained my close interest in Romanian affairs and made frequent business trips to Romania in recent years. I am privileged to appear before your committee to state our support for the President's proclamation extending nondiscriminatory treatment to the products of Romania and to urge congressional approval of the United States-Romanian Agreement on Trade Relations, signed April 2, 1975.

I was appointed as U.S. Minister to Romania in 1961 by President Kennedy, and as our first Ambassador to that country in 1964 by President Johnson. In that year, the U.S. Legation in Bucharest was raised to an Embassy in accordance with the United States-Romanian Agreement of June 1, 1964. I remained as Ambassador until October 1965.

The 4 years I spent as chief of our diplomatic mission in the early sixties were eventful years for Romania, and I would hope that my experience might provide useful perspective on the matters now confronting you. The salient development to occur during my tenure there was that Romania in that period proceeded to carve out for itself an independent foreign policy, developing satisfactory relations with the third world and with the West.

It was indeed largely in recognition of this fact that we were prompted to conclude the United States-Romanian Agreement of 1964, to which I have referred. The agreement was considered to be a milestone in our relations at the time, and prior to the recently signed agreement on trade relations now before you, it remained the only accord to have been reached with the Romanian Socialist Republic directed primarily at economic and trade questions.

For this reason, and because the agreement of 1964 represented a major step in liberalizing our export control procedures toward Romania, I believe that a brief review of its provisions is warranted.

Among its more important features, the agreement established a general license list for Romania, such as had been earlier accorded to Poland, enabling Romania to import most U.S. Commodities without need to apply for individual export licenses. The United States also agreed to grant licenses for a number of particular industrial facilities in which Romania had expressed an interest. It was mutually agreed to protect each other's industrial rights and processes and not to re-export each other's technology. It was further agreed to establish a U.S. Trade Office in Bucharest, and to reach a mutual settlement of consular problems, including negotiation of a new consular convention. Finally, it was agreed to give continuing consideration to Romania's desire for most-favored-nation treatment.

I should add that parallel with the agreement, we received official high-level oral assurances that Romania would begin to permit the departure to the United States of many dual nationals as well as

Romanians seeking to join their families in this country. I could comment, if you wish, on that aspect of our experience when we come to questions.

Senator DOLE. Mr. Chairman, I wonder if I might just interrupt. I may have to leave before you finish.

I have read the statement, and it is an excellent statement.

You have heard some of the other witnesses talk about the slow-down in emigration, specifically during the month of May. I do not know whether you have kept in touch that specifically.

Mr. CRAWFORD. I have not followed the numbers exactly, but I know in general.

Senator DOLE. But it has been a liberalized policy, has it not, since the time you were there?

Mr. CRAWFORD. Since the time I was there—their record while I was there, and subsequently, was generally from excellent to good in relation to emigration to Israel. So far as the separated families are concerned, people wishing to come to the United States, the record while I was there was not very satisfactory until we reached agreement with the Romanians in 1964 on economic control procedures, and so on. At that time I had a list of some 600 to 700 cases that I had given to the Romanian Government, and I received assurances from them that if our general agreements were to go through, that there would be no problem on these people leaving the country. They honored that agreement.

Senator DOLE. They did honor the agreement?

Mr. CRAWFORD. They did honor it within the period of a year approximately.

The people who were on that list were allowed to leave.

Now, I should add that whenever someone leaves, it creates the beginning of another list; because when a wife or a daughter arrives here, then she has in turn a mother or another close member of the family who wants to join her. So that we were given satisfaction on the lists at hand, in combination with the overall agreement. However, this was not done with any publicity and no public mention was made of it—but, we were given satisfaction. Now, new lists have developed in the meanwhile.

Senator DOLE. I was interested in one of the witnesses who indicated the only way to get out was to ransom your way out.

I would like to have you comment on this—that you left practically—well, ~~not~~ naked, but with little else. Is that the practice?

Mr. CRAWFORD. It is true that in the first place they are not allowed to take any local currency out of Romania, and for the most part I would say that they left pretty much with what they had on their backs plus what they were able to carry with them. That is generally correct, I think. It was the practice then. I am not quite sure what it is today.

Senator DOLE. And, of course, you support the agreement extending MFN treatment. Again, it is speculative, but do you believe, based on your experience, that the fact that they did honor the other agreement, this new agreement might generate more progress insofar as Jewish emigration and emigration of all who wish to be united with their families—do you think this might be a propellant of some kind?

Mr. CRAWFORD. Indeed, I do. I feel very strongly that this would evolve that way—having consideration for what Assistant Secretary

Hartman has said to the Ways and Means Committee with regard to official talks which apparently have gone on in Bucharest with respect to emigration. Evidently the feeling that he has is that there is every good reason to believe that the understandings reached there will be honored, and there is the President's own indication to the Congress that he is convinced that this will be so as well. I am sure they have very solid reasons for their views.

Senator DOLE. As I understand it, if you count the legislative days, we have until September 4 to take some action.

Mr. CRAWFORD. Yes.

Senator DOLE. It is also my understanding that the administration has not testified in favor of the agreement, primarily because of what did not happen in the month of May insofar as emigration was concerned. So, I would assume that unless there is a visible change soon, we may be up against the deadline. Because if there is the August recess, time will be short. So, hopefully, there will be some improvement in the present situation so we can go ahead and approve the agreement.

Mr. CRAWFORD. Yes; I feel that in my own reading of the matter—I have nothing by way of fact to base this on—but my reading is that the Romanians do consider their emigration policy an internal matter.

Senator DOLE. Right.

Mr. CRAWFORD. They do not want to put themselves in the position of seeming to be responding to outside pressures on an internal matter; therefore, there has been this lag currently, and for the last several months as compared with last year. But, they are also realists, and their interests are certainly deeply involved here.

I would expect that fairly shortly you will be getting some better news.

Senator DOLE. I can understand their reluctance to tie their internal policy to some economic agreement. I do not have any quarrel with that. It is not my purpose or our purpose to directly cause that to happen; but I think it is fair that they know the feeling of the Congress, and the feeling is there that there should be an improvement. That does not suggest that we are holding anything as ransom, but I guess some would interpret it that way.

Mr. CRAWFORD. I can understand that, and I would hope that within the next few weeks there would be——

Senator RIBICOFF. May I suggest, Senator Dole, that the first vote will come at 12, and at that time we will have to suspend.

Senator DOLE. That is all I have.

Senator RIBICOFF. Your entire statement will go in the record as if read. I think you may convey a message to the people that you do business with in Romania, that their emigration policy dropped considerably in 1973 and 1974, but in 1975 it has been almost nonexistent.

Thank you very much, Mr. Crawford.

[The prepared statement of Mr. Crawford follows:]

STATEMENT OF WILLIAM A. CRAWFORD, DIRECTOR OF FOREIGN RELATIONS  
OF WJS, INC.

I. INTRODUCTION

Mr. Chairman and members of the Committee, I am pleased to have the opportunity to appear today in my capacity as former U.S. Ambassador to Ro-



mania now serving as Director of Foreign Relations of WJS, Inc., a firm of East-West marketing consultants with headquarters in Washington, D.C.

WJS represents a number of American companies in their business dealings with Eastern Europe. One example of our activity is the agreement we assisted General Tire International Company to enter into with Romania in 1973 for the design and construction of a \$75 million modern manufacturing plant to make radial truck tires. The project resulted in the sale of U.S. machinery and technical services valued at \$36 million and remains one of the largest individual manufacturing ventures to be negotiated by Romania with a western company.

I have retained my close interest in Romanian affairs and made frequent business trips to Romania in recent years. I am privileged to appear before your Committee to state our support for the President's proclamation extending non-discriminatory treatment to the products of Romania and to urge Congressional approval of the U.S.-Romanian Agreement on Trade Relations, signed April 2, 1975.

## II. THE U.S.-ROMANIAN AGREEMENT OF JUNE 1, 1964

I was appointed as U.S. Minister to Romania in 1961 by President Kennedy, and as our first Ambassador to that country in 1964 by President Johnson. In that year, the U.S. Legation in Bucharest was raised to an Embassy in accordance with the U.S.-Romanian Agreement of June 1, 1964. I remained as Ambassador until October, 1965.

The four years I spent as chief of our diplomatic mission in the early sixties were eventful years for Romania, and I would hope that my experience might provide useful perspective on the matters now confronting you. The salient development to occur during my tenure there was that Romania in that period proceeded to carve out for itself an independent foreign policy, developing satisfactory relations with the third world and with the West. It was indeed largely in recognition of this fact that we were prompted to conclude the U.S.-Romanian Agree of 1964 to which I have referred. The Agreement was considered to be a milestone in our relations at the time, and prior to the recently signed Agreement on Trade Relations now before you, it remained the only accord to have been reached with the Romanian Socialist Republic directed primarily at economic and trade questions.

For this reason, and because the Agreement of 1964 represented a major step in liberalizing our export control procedures toward Romania, I believe that a brief review of its provisions is warranted. Among its more important features, the Agreement established a General License List for Romania, such as had been earlier accorded to Poland, enabling Romania to import most U.S. commodities without need to apply for individual export licenses. The U.S. also agreed to grant licenses for a number of particular industrial facilities in which Romania had expressed an interest. It was mutually agreed to protect each other's industrial rights and processes and not to reexport each other's technology. It was further agreed to establish a U.S. Trade Office in Bucharest, and to reach a mutual settlement of consular problems, including negotiation of a new consular convention. Finally, it was agreed to give continuing consideration to Romania's desire for Most Favored Nation treatment.

I should add that parallel with the agreement, we received official high-level oral assurances that Romania would begin to permit the departure to the United States of many dual nationals as well as Romanians seeking to join their families in this country. I could comment, if you wish, on that aspect of our experience when we come to questions.

## III. MFN—OUTSTANDING BILATERAL ISSUE FOR ELEVEN YEARS

Thus, the issue of MFN has remained pending for Romania since 1964. Moreover, it was then the generally accepted view that, if Romania persisted on its independent course, it could soon expect to be granted the same favorable status which Poland already enjoyed in this regard. Since then, eleven years have passed, and MFN remains the outstanding bilateral economic issue yet unresolved between our two countries. Nor is it lacking, of course, in political ramifications.

## IV. BACKGROUND ON ROMANIA'S INDEPENDENT POSTURE AND IMPROVED U.S.-ROMANIAN RELATIONS

Meanwhile, Romania has not altered its independent policy; on the contrary, it has persistently consolidated and strengthened that policy in the interven-

ing years. For example, Romania is the only Socialist country to have continued to maintain diplomatic relations with Israel, despite the Six Day War and the Yom Kippur War, and it has had a fine record since my time in allowing Jews who so desired to emigrate there. It was the first Socialist country to establish diplomatic ties with the Federal Republic of Germany. It has the distinction of being the only one to have become a member of the International Monetary Fund and the World Bank. It has joined the General Agreement on Tariffs and Trade under particularly satisfactory arrangements. Together with Poland and Yugoslavia, it also qualifies for Exim Bank credits, and with Yugoslavia, for OPIC guarantees.

In matters of foreign trade, Romania as far back as 1960 made plans to increase its trade turnover with Western countries from 21 percent of its total trade in 1959 to 33 percent in 1965. However, by the time I arrived there at the end of 1961, it had already reached that goal. Thus I was able to see modern plants purchased from the West rapidly rising in various parts of the country, supported by hundreds of Western engineers, and Bucharest was alive with Western contractors and consultants. Even between 1961 and 1964, Romania contracted for the purchase of upwards of \$350 million worth of industrial plant and equipment in Western Europe. The United States at the time was presented with a shopping list for American facilities running into six figures, but we had regretfully to reply that export licenses would not be forthcoming. So most of the desired contracts were let instead to our Western European friends. The plants then being built ranged from petroleum refining and petrochemicals to ferrous and non-ferrous metallurgy, pulp and paper, tractor and tire manufacturing, synthetic fibers and wood processing. Since then the same pattern has continued on a growing scale, and I am glad to say of late with fast-increasing American participation. Today indeed, some fifteen years later, we have reached the point where over 50 percent of Romania's trade is currently being conducted with the West.

Throughout the same period, the broad framework of U.S.-Romanian relations experienced a comparably happy evolution. Before my arrival, the U.S. had concluded a financial claims settlement with Romania. It had also negotiated a two-year program of cultural and scientific exchanges. The latter has since been renegotiated biannually to provide ever increasing contacts in a variety of fields, and the agreement recently concluded will run for five years. Our Embassy is allowed to give wide distribution within Romania to cultural and scientific magazines published in the Romanian language. A well-patronized American Library has been established in Bucharest. New consular and civil aviation agreements have been concluded. There have been numerous high-level visits on both sides, including visits at the presidential level. As a result of the latest of these, on the occasion of President Ceausescu's state visit to Washington in December 1973, a Romanian-U.S. Economic Commission was established at the governmental level, and a Romanian-U.S. Economic Council at the level of the national chambers of commerce. Their purpose is to further the mutual development of trade by keeping its progress under annual review. The figures for two-way trade over the past fifteen years testify for themselves in the clearest terms to the extent of that progress. For example, when I arrived in Romania in 1961, the annual two-way figure was \$3 million; when I left in 1965, it was \$8 million; but nine years later, in 1974, it had reached the impressive total of \$408 million.

#### V. ROMANIA SHOULD BE GRANTED MFN

I could go on, but need I say more? The President's decision to extend non-discriminatory treatment to the products of Romania is fully justified, in our view, by Romania's longstanding independent posture and by the very satisfactory state of our overall relations—cultural, economic, and political. As we also happen to enjoy a very favorable balance of trade with Romania, it seems yet more desirable that we should enable Romania, like other friendly nations, to seek through MFN a more equitable balance for itself in the interests of a stronger mutual relationship. The proposed Agreement on Trade Relations appears to take account of all appropriate commercial safeguards. Since 1964, when MFN first actively appeared on the diplomatic agenda, Romania has unquestionably displayed an unusual degree of national fortitude in the conduct of its foreign relations. As for the question at hand, in the face of extended delay, it has shown commendable patience and good humor; nor has it sought to retaliate for continued discrimination when it might have been tempted to do so.

In our view, the time for action is ripe, not to say well overdue. We strongly support the President's recent submissions on the subject, while urging early approval of Senate Concurrent Resolution No. 35.

#### STATEMENT CONCERNING WJS, INC.

(Submitted as an attachment to the Statement by  
the Honorable William A. Crawford)

WJS, Inc. was established in 1971 to develop and manage U.S. clients' business in non-marketing economies. The company's founders were Michael J. Johnson, previously Executive Secretary of the Council on International Economic Policy, Executive Office of the President; Christopher E. Stowell, formerly of the Office of the Assistant Secretary, U.S. Department of Commerce; and Donald A. Webster, former Deputy Assistant Secretary of Treasury.

The firm's headquarters are located at 1800 K Street, N.W., Washington, D.C., with offices in New York and Moscow and client account managers in Houston, Texas and Tulsa, Oklahoma.

WJS, Inc. offers a comprehensive range of marketing services, including market studies, export representation, turn-key plant assistance, contract negotiation, and barter.

The firm's officers are Christopher E. Stowell, President; Erast Borissoff, Vice President-USSR Operations; Paul Speltz, Vice President-Asia Operations; Thomas A. Kosik, Project Manager-Eastern Europe; and William A. Crawford, Director of Foreign Relations.

The Board of Directors comprises the following: Louis J. Castaldi, Director, I.B.M. World Trade Corporation; William A. Crawford, Director of Foreign Relations, WJS, Inc., and U.S. Ambassador, retired; Andrew E. Gibson, former Assistant Secretary of Commerce; Robert B. Stobaugh, Professor, Harvard Business School; Christopher E. Stowell, Chairman; Richard P. Urfer, Senior Vice President and Director, UBS-DB Corporation, New York; and S. William Yost, Vice President, Evans Products, Inc., Portland, Oregon.

Senator RIBICOFF. Mr. Riposanu?

Mr. RIPOSANU. Yes, sir?

Senator RIBICOFF. Mr. Riposanu, could you give us, as briefly as you can—your entire statement will go into the record—the thrust of your argument, because at about 12 o'clock we are going to have the first vote, and we are going to have to break this up.

#### STATEMENT OF PAMFIL A. RIPOSANU, THE ASSOCIATION OF THE ROMANIAN CATHOLICS OF AMERICA

Mr. RIPOSANU. I shall be short.

I am glad to appear after Ambassador Crawford, because once upon a time he was the first head of the Romanian Mission in the United States after the war.

My name is Pamfil Riposanu. I am a member of the bar of the State of New York, and through your kind permission, for which I am grateful, I appear before you on behalf of the Association of the Romanian Catholics of America.

The association is a national organization of all Americans of Romanian descent and the Catholic faith. I am a member of the organization, and I appear at the request of the clergy, the lay members, and the officers.

I shall be brief, as you requested, Your Honor. I would like to tell you, right from the outset, that I am not appearing in opposition to the proposed treaty.

With your permission I would like just to submit certain facts showing the past record of the government of Romania in three specific

fields—human rights, disregard of international law, and the most recent, the noncompliance with the terms of the recently concluded Consular Convention—I believe that those facts would assist you in your deliberations and your recommendations.

First, as to the human rights, back in 1948, the government of Romania issued a decree pursuant to which the Catholic Church was suppressed legally. As a result, almost 2 million people, Romanian Catholics, were deprived of their right to worship in their own faith, over 2,000 churches were taken over by the government and given to other denominations, about 1,700 priests were barred from exercising their ministry, a good number of them were imprisoned or exiled, and one Cardinal and five Bishops were imprisoned for the rest of their lives.

It is true that similar decrees have been passed in other countries in the area, but in other countries, such as Czechoslovakia, subsequently the government cancelled the decrees and restored to the church its right—but not in Romania. In Romania the Catholic Church is exactly as it was in 1948.

Your Honor, this is just an example of the disregard of human rights.

Maybe you have also noticed coming to the Senate today, that in front of the Senate Building was a group of 12 people on a hunger strike for 20 days. I have a picture of them. For 20 days they were begging and praying to you for your support for the reunification of their families. I also pray that the prayers of those martyrs of the Catholic Church who were suppressed in 1948 be renewed to assist you and guide you to your deliberations.

The second type of example, the effects will be revealed to you of how the Romanian Government has completely disregarded the well-accepted principles of international law. Let me give you an example. The son of a young coal miner from West Virginia was taken by his parents to Romania. He was born in the United States, went to school in Romania, graduated from the university and became a doctor of law. He was caught by the Second World War and could not return to the United States. Immediately after the war he went to the American Embassy and asked for a visa. He was followed by the police, arrested, and imprisoned for 10 years, practically kept incommunicado. Finally, in 1964, he was released; in 1965 he arrives in the United States, and filed his claim with the Department of State. The Department of State espouses his claim, approves it, and in accordance with the well-known principles of international law, establishes the amount of damages at about \$300,000, quoting the well-known authority in the field of damages, Marjorie Whiteman.

The claim was submitted to the Romanian Government by our Embassy in Bucharest. The government of Romania completely disregarded it. I have letters from the Department of State showing that in spite of the fact that you have a legitimate claim, a valid claim, the Romanian Government does not even answer and simply ignores the matter. All of the representations made by our Government were fruitless.

With your permission I will offer for the record a copy, with the letters, showing how continuously and repeatedly the government of Romania has disregarded all of our representations.

Senator RIBICOFF. Your exhibits will be submitted and filed with the clerk.

Mr. RIPOSANU. Incidentally, this is not the only case. It is just an example of the conduct of the Romanian Government with respect to the well-accepted principles of international law.

The third type of example which I would like to submit to you is one more recent.

In August of 1972, our Government entered into the Consular Convention and Protocol with the government of Romania. The Consular Convention was ratified and finally entered into full force and effect in 1973, August of 1973, therefore less than 2 years ago. That convention, which is quoted in my testimony, assures the nationals of the United States that their inheritance rights would be respected by the states of Romania. I know that from our side, as I practice as an attorney, that with due respect, money is being sent from the United States to Romanian beneficiaries.

The case in point is a certain man by the name of Ion Ungureanu, a national of the United States; the object of the claim is something which is unique, Your Honor—a collection known as the “Orghidan Collection,” which is evaluated at \$100 million.

Senator RIBICOFF. Sir, we have your testimony. Your time has expired. If you will submit all of your exhibits to the clerk of the committee, we will have a chance to look at it.

Mr. RIPOSANU. I do not want to impose upon you, but just with your permission, to have some idea about the collection—a booklet is made.

Senator RIBICOFF. That is too valuable for you to leave. I personally will take your description. It is an unusual collection. It is too bad that the world is deprived from viewing it, and the family from owning it.

Mr. RIPOSANU. Why the people of the United States should be deprived from seeing it—I have seen the Citian collection in the Metropolitan Museum and I just compared the two. People who know much more than I do in the art world say it outshines in the Orghidan collection.

I also understand that the Citian collection is now in the Metropolitan Museum. It has been insured for \$300 million. Why the American people should be deprived of seeing this pleasure—

The CHAIRMAN. I would suggest that the staff be instructed to summarize in brief this material that the witness has, because I think it would be useful to those who agree with his position. None of this is secret information, I take it, is it? This is all a matter known to the government of Romania, I am sure.

Mr. RIPOSANU. Yes.

The CHAIRMAN. I am sure that in view of the fact that it is known to that government, it would be well that those reading the record would know where they could find this information. So I think the staff ought to be instructed to summarize these exhibits, so that anyone who might want to use some of this information that the witness has presented to us would know where to find it.

Senator RIBICOFF. Thank you very much for your contribution.

Mr. RIPOSANU. We thank you very much for your kind attention.

[The staff summary requested and the prepared statement of Mr. Riposanu follows:]

## DOCUMENTS SUBMITTED TO THE COMMITTEE BY MR. RAMFIL A. RIPOSANU

(Prepared by the Staff of the Committee on Finance)

In connection with his testimony before the Committee, Mr. Riposanu presented two documents for the Committee's consideration in connection with the hearings on the United States-Romanian Trade Agreement. These documents are on file in the official committee files.

*Matter of Mr. Ioan Carje Bologh.*—Mr. Riposanu submitted to the Committee documents concerning the claim of Mr. Bologh against the Government of Romania arising out of alleged false imprisonment and illegal detention by that government against Mr. Bologh. The documentation consists of an affidavit of Mr. Bologh providing a description of his imprisonment by the Government of Romania for two five-year periods, running from July, 1949 through July, 1954, and from October, 1959 through July, 1964. The affidavit also describes his claim for damages against the Romanian Government in an amount of \$300,000 for compensation for pain and suffering, personal injuries to body and mind, and loss of earnings suffered as a result of the imprisonment. The submission includes various appendices which provide background documents concerning the claim.

*Matter of the "Orghidan Collection".*—Mr. Riposanu also submitted documents concerning a valuable collection of old coins and certain other assets which are claimed by Mr. Ion Ungureanu and his transferees and assignees on the basis of the last will and testament of the wife of the original owner of said collection. The collection, according to the information supplied the Committee by Mr. Riposanu, is currently held by the Romanian Academy in violation of the conditions of the will of the original owner. Mr. Riposanu also alleges that none of the assets, nor, in the alternative, has any income been provided the beneficiaries, as required by the terms of the will. Mr. Riposanu also indicates that the action by the Government of Romania is in violation of provisions of the protocol to the Convention on Consular Relations between the United States of America and the Socialist Republic of Romania, signed on July 5, 1972. The submission to the Committee contains certain appendices providing background documents on the claim.

---

TESTIMONY OF PAMFIL A. RIPOSANU ON BEHALF OF THE ASSOCIATION OF THE ROMANIAN CATHOLICS OF AMERICA (ARCA) AND OTHERS

Mr. Chairman and Members of the Committee, my name is Pamfil A. Riposanu. I am a member of the Bar of the State of New York, and a partner in the law firm of Lipsig and Riposanu, with offices located at 375 Park Avenue, City and State of New York.

I was born in the Country of Romania, and I am a graduate of the University of Bucharest, School of Law and a former member of the Bar of Bucharest, Romania.

In 1944, after Romania's coup d'etat against the Nazi regime, I became Secretary General of the Presidency of the Council of Ministers, and in 1946 I was appointed First Councillor and Charge d'Affaires at the Royal Legation of the Kingdom of Romania to the United States.

In 1947, when certain political changes took place in Romania, I resigned from my position with the Romanian Legation, and I became a farmer in Suddlersville, Maryland. Later on, I obtained a teaching position, and I became a professor of international law at the St. John's University in New York City.

Then, I obtained my American L.L.B., took the New York State Bar examination, and in 1955 I was admitted to the Bar of the State of New York.

I am grateful to you for giving me the opportunity to testify on behalf of the Association of the Romanian Catholics of America, and others, on recently-signed United States-Romanian Trade Agreement, the approval of which is now pending before your honorable committee. ARCA, of which I am a member, is the national organization of American nations of Romanian descent and Catholic faith, and has its headquarters in East Chicago, Indiana. I have the honor to appear before you at the request of the clergy, lay members and officers of the Association.

I would like to point out right from the outset, that I am not appearing in opposition to this proposed Trade Agreement with Romania. But, with your permission, I would like to submit to you certain facts, as examples, which will show the past record of the Romanian Government, in three specific fields, (a)

human rights, (b) disregard of international law, and (c) noncompliance with the terms of the recently concluded Consular Convention, facts which I respectfully submit may assist you in your deliberations and recommendations of this Trade Agreement, and whether or not it is advisable to enter into a new agreement as long as previous agreements are not complied with.

1. *Human rights*.—Back in December, 1948, the Romanian Government issued a decree pursuant to which the Romanian Catholic Church was legally-de-Jure-suppressed. As a result, 1,700,000 Romanian Catholics were deprived of their faith, 2,000 Catholic churches were taken over by the Government and given to other denominations, about 1,700 priests were barred to exercise their ministry, a good number of them forced into exile or jails, and one Cardinal and five Bishops were arrested and imprisoned for the rest of their lives. Similar decrees for the suppression of the Church had been issued at that time by other governments in the area, but subsequently most of the governments, as an example, the Czechoslovakian Government, cancelled such decrees and restored the Church to its rights, but not the Romanian Government. Today, the Romanian Catholic Church continues to be legally suppressed.

## 2. DISREGARD BY THE ROMANIAN GOVERNMENT OF INTERNATIONAL LAW AND PRINCIPLES GUIDING THE RELATIONS AMONG THE NATIONS

Before the beginning of the Second World War, ION CARJA, born on March 25, 1922, in West Virginia, son of a poor coal miner from that State, was taken back by his parents to their native land, Romania. When World War II exploded, the young Ion Carja was caught up by the events there in Romania and was unable to return to the United States. While there, Ion Carja went to Romanian schools and university, and in 1948 he took his Doctor Degree in Law. When the hostilities were over, Ion Carja went to the American Embassy in Bucharest, and asked for his return to the United States. By going to the American Embassy, and by being an American-born citizen, he committed a great crime, and on July 29, 1949, he was arrested by the Romanian authorities, and spent ten years of his life in various Romanian prisons.

Finally, in July, 1964, Ion Carja was released and returned to the United States.

In 1965, he filed his claim on the basis of ten years of false imprisonment with the United States Department of State, which Department, after examining and espousing the claim in its final draft, on May 16, 1967, through the American Embassy in Bucharest, submitted the same to the Government of Romania. The Romanian Government promised to investigate the claim and communicate the results to the American Embassy in Bucharest, but neglected and otherwise refused to do the same, in spite of all the subsequent efforts made by the American Embassy. Although the claim for damages in the amount of \$300,000 arising out of ten years of false imprisonment has been approved by the U.S. Department, in accordance with the well accepted practices and principles of international law, the Government of Romania failed even to reply to the repeated representations made by our Government on behalf of Ion Carja.

The Department of State, by letters dated November 7, 1967, May 27, 1970, February 23, 1973, and June 10, 1974, advised Ion Carja, and in spite of all its efforts and "*notwithstanding the legal validity of such claim*", the Romanian Government does not even reply, and simply ignores the matter. (I offer for the record a copy of the claim and four copies of such letters from the U.S. Department of State.)

## 3. FLAGRANT VIOLATION AND COMPLETE DISREGARD BY THE GOVERNMENT OF ROMANIA OF ITS OBLIGATIONS UNDERTAKEN UNDER THE RECENTLY CONCLUDED CONSULAR CONVENTION

On July 5, 1972, our Government and the Government of Romania signed in Bucharest the Consular Convention and Protocol, which have been ratified by the respective Governments and entered into full force and effect on July 6, 1973, which is less than two years ago. Under the terms of that Consular Convention, the Government of the Socialist Republic of Romania assures the Government of the United States that the "inheritance rights" of the United States nationals in Romania will be respected. In this regard, the pertinent part of the Consular Convention reads as follows:

"The Government of the Socialist Republic of Romania assures the Government of the United States of America that:

1. United States nationals may exercise their inheritance rights in the Socialist Republic of Romania on the same conditions as Romanian nationals and may transfer, in dollars or other foreign currency, the sums obtained from such inheritances, at the official rate of exchange with the most favorable premium established in this matter in accordance with Romanian law;"

As an example of such a national of the United States is the case of Ion Ungureanu, who is the heir to a famous and unique old coins and works of art collection, known all over the world as the "Orghidan Collection." Studies and books have been written about the Orghidan Collection; a copy of such a book written by a well-known authority in the field, Rev. V. Laurent, a French Assumptionist priest and a Harvard visiting professor, is in my possession and it is at your disposal for examination and inspection. The author of this book, Father Laurent, advised the undersigned that the value of this unique collection is priceless and well in excess of Fifty Million Dollars.

Although the Will of Constantin Orghidan imposed upon the Romanian Academy the duty to pay his widow the sum of 150,000 lei monthly, and a long list of other obligations, the Romanian Academy failed to comply with the terms of the Will and to fulfill its obligations. Marta Orghidan was left without any means for her maintenance and she was taken into the home of Ion Ungureanu and his wife and supported and cared for until the end of her life, in 1967.

At the time of her death, on February 17, 1967, Marta Orghidan left a Last Will and Testament pursuant to which Ion Ungureanu, the claimant herein, is the sole heir, and the exhibits attached to the claimant's exhibit so reveal.

Ungureanu's inheritance rights are fully recognized by (a) the Romanian laws; (b) the Romanian courts; (c) the American courts (Surrogate's Court of the State of New York), and (d) the respect of such inheritance rights are further confirmed and reassured by the Romanian Government pursuant to the above-mentioned Consular Convention. In spite of all the above, the Romanian Government refused to turn over and deliver the assets of the estate to Ion Ungureanu.

Consequently, on February 7, 1975, Ion Ungureanu, as a national of the United States, filed his claim with the United States Department of State, which claim has been submitted to the Romanian Government, through the American Embassy in Bucharest. We have not heard from the Romanian Government.

I respectfully submit for the record a copy of the claim filed with the U.S. Department of State.

In view of the above, I respectfully submit the following:

A. That this committee may desire to have the representatives of the State Department assure the Congress the Department will take timely and positive actions with the Government of Romania for the prompt and proper respect of the claims of American Citizens, including inheritance rights, such as the rights of Ion Ungureanu, which rights are guaranteed by the Consular Convention of 1972, entered into full force and effect in July, 1973. Disregard of such rights will prejudice not only the claimant Ion Ungureanu, but it would deprive the American people of seeing out and admiring this unique and priceless Orghidan Collection.

B. That these assurances be made part of the record of the hearings of this committee.

C. That this committee may take any other steps which in its wisdom and judgment may deem to be fair, just, and proper, under the circumstances.

I thank you once again for giving me the opportunity to testify before your Honorable Committee and I am at your disposal for any additional information, if necessary.

Senator Ribicoff. Our last witness is Dr. Charles Kremer.

**STATEMENT OF DR. CHARLES H. KREMER, ROMANIAN JEWISH  
FEDERATION OF AMERICA, INC., ACCOMPANIED BY DEAN MIL-  
HOVAN, ROMANIAN-AMERICAN CHRISTIAN COMMITTEE, AND  
CONSTANTIN ANTONOVICI**

Dr. KREMER. Mr. Chairman, with your permission, I would like to make an appeal to you and ask you to give us more time because I feel we are getting punished for sending out telegrams and a phone call in the name of three different organizations, and then we have to squeeze



all three into 10 minutes. I do not think we can go through all of that in 10 minutes. I have no connection whatsoever with these gentlemen. I made the call for them.

I called up the office and I told them, that I alone need the 10 minutes, but they finally told me we have 10 minutes to go into three different things.

I am the president of the Romanian Jewish Federation of America. Mr. Dean Milhovan is with the Romanian-American Christian Committee, and he is speaking on their behalf; and Mr. Constantin Antonovici is speaking for somebody else. So I do not see why I ought to be punished, in order to appear before you, I think we should get 30 minutes and not 10 minutes for three different groups. Since we sent a telegram at the same time, I can understand very readily—why we should be punished. But this way—besides, I do not think we are going to do justice to any one of our testimonies because we will just have to cut it short.

The CHAIRMAN. May I suggest that the witnesses be permitted to extend their remarks, and if you want to, you can submit a statement that would take you an hour to present, and we will print just as though you had read it here. Now, this is not at all unusual. We have people who come before us speaking for organizations that have millions of members, and they present us with vast amounts of information which we make available to the Senate. But I do not have a half hour to remain this morning, and frankly, sir, we are doing the best we can to accommodate you. We will see that all of your information is made available in the record.

I am sorry that we just do not have a half hour to stay with you.

Dr. KREMER. Mr. Chairman, I am willing to relinquish my whole statement. You have it in writing, but to this, I would like to add just a few things with your permission.

Senator RIBICOFF. As the chairman said, the entire statement that you want to submit will go into the record as if read, and will be available to every member of the committee and the Senate.

So, why do you not proceed.

Dr. KREMER. With your permission, I would like to say just a few words. Before going into a discussion of the merits of the trade agreement, I would like to clarify something that is not clear in the minds of a lot of people. Romania had 750,000 Jews toward the end of the war. By 1948 they had about 500,000. By 1975 they had about 100,000; 400,000 Jews went to Israel. Now, let us see what happened to this 100,000 that remained in Romania. I am pretty sure that 20 percent of those people, which is 20,000 people—and I am taking Rabbi Miller's figure—do not want to leave. Now, why don't they want to leave—because they have either good paying jobs or are on pensions, and they realize they cannot do better in any other country, if they go to Israel or the United States. Those 20 percent do not want to leave.

We have 20 percent of old people that will, in the next 2 or 3 years, be in a cemetery. Those people, too, do not want to leave, because they can get along very well from the pensions. They have their own homes. They do not actually pay rent. They are integrated in the Romanian community and they desire to die in Romania.

Now, we have maybe another group of people. Let us say that this ought to be—and before I go any further, I want to make one state-

ment so that the committee realizes that I have been working for the Romanian Jewish community since 1927, so I am not a newcomer in this kind of situation. Another 20,000 cannot leave now, but they will leave within the next 5 or 10 years because they have mixed marriages. Some have children whose parents depend on them, and they do not want to leave. Some of them have children who go to college at the university. They get the services free. They do not want to leave.

There is another 10,000 that cannot decide whether they want to leave or not. So, that leaves over exactly about 30,000 people that want to leave. Maybe some of them may change their minds, too.

I would like to state that the Romanian people are a proud and independent people, and do not accept too much pressure. Originally, after the Second World War, we had reduced the amount of people all the way down to the figure that I gave you just before. I believe that the number given of how many hundreds or thousands leave each month or year is counterproductive, generally. Romania's record in the past in emigration has been rather good. Some by the thousands left Romania and I know by my experience, none of them in this group was turned down, and I know why they are turned down now—most likely because of the Arab situation.

But, I believe that the pending cases can be solved through an acceleration of the normal channels. In order to accelerate the pace, it is best to keep the channels of communication open and even enlarge them. I am convinced thoroughly that the implementation of emigration in greater numbers will improve mutual confidence and create a better understanding between our two nations. By refusing the trade agreement, we are pushing Romania right into Russian hands now, when they want to extricate themselves, thereby making emigration more difficult. After all, our President Ford has assured us that Romania will respect the trade agreement and its emigration clause. Besides, we have another year or two, or three—I do not know exactly what it is—on which to try out the Romanian promises. Let us not block this attempt at good trade relations, for Romania has solved and will solve quickly this emigration, as they have solved only recently the humanitarian case of Andrei Asher.

I am referring to an actual case. Our organization was instrumental in having a meeting with a group of rabbis, and several Jewish national organizations. We sent messages to President Ceausescu, Dr. Waltheim at the United Nations, President Ford, and Dr. Kissinger and we succeeded to change within a week—the death sentence of Andrei Asher to 20 years in jail—and I am working now to see it reduced even further.

I would like to close my statement with the thing that Yigal Allon, who is the Foreign Minister of Israel said, only on June 1, 1975, recently, in Bucharest, and I am doing this for one reason—because in my statement you will see what Romania has done for Jews, and there is no minority problem in Romania for Jews. I am really surprised at what I heard today, about Hungarians, Statement of Yigal Allon “As a Jew I witnessed how the Jewish community in this country enjoys the liberty of cultural, spiritual, and religious freedom, and that their members of this community are everywhere considered equal citizens. What has impressed me anew, and I was very happy to find out this—the fact that this community knows how to harmonize their

belonging to the Jewish religion and community as a historic phenomenon, and at the same time how to be loyal citizens and integrated in the community."

In conclusion I want to say this. I have been to Romania a number of times. I know everything is open for the Jews. They have their own synagogues, whereas in the past the Nazis killed their people in slaughterhouses in Bucharest. There are people in this room that I am pretty sure know those things besides us and they sit right here and deny these truths.

Senator RIBICOFF. Mr. Kremer, your 10 minutes are up. Let us try to give the other gentlemen as much time as we can.

Dr. KREMER. Thank you for the courtesy.

Senator RIBICOFF. Do either one of you want to go first?

### STATEMENT OF DEAN MILHOVAN

Mr. MILHOVAN. On behalf of the Organization of American-Romanian unity, we want to thank you for this great privilege of testifying before your committee. We also share ourselves with other speakers favoring that Romania should be added to the list of those receiving most-favored-nation treatment.

We all know that the present Romanian Government is a Communist one, and we do not agree on everything. I am personally a victim of Romanian communism. I was a Royal Army officer and put in jail for political reasons. My father, a leader of an old political party, was also in jail. All of our assets were confiscated, and my family was deported. I hate the oppressive Communists; but the present regime has made lately a significant forward movement for liberty.

I visited Romania twice, and I find there are many changes. Despite the Communist government, the Romanian people are really our friends. They love America very much. Even today they still hope that the Americans will help them. The United States really needs friends abroad. The Romanians are, and will always be, U.S. supporters, no matter which political regime governs them.

We are also taking this opportunity to call your attention to a few matters, which by their mere presence, if not suppressed now, would forever interfere with the good progress of both American and Romanian efforts to create a more congenial life together and for our better cooperation in the future.

There is an extremist Romanian group which tries very hard to create bad relations between the United States and Romania. They all persist in trying to prevent the success of this hearing by Congress because any improvement in United States-Romanian relations will permit the discovery of their past crimes. By maintaining and preserving the present political tension, they gain important economic benefits.

With your permission, I wish to cite the most relevant example. Reverend Galdau, in New York City, who has already testified before this committee and the Committee on Ways and Means.

He stated there is not a liberal immigration policy in Romania. It is quite sure there are some cases which the Romanian authorities did not permit to emigrate but there is a big difference to make such a statement, "that there is no emigration" because if so, how did

Reverend Galdau succeed to bring his own wife, his own major children and other thousands of Romanians, to reunite the families in the United States.

The problem is more exaggerated. It really exists, but it is not so big.

Reverend Galdau also stated only those immigrants and visitors who are "Communist agents and spies are permitted to leave Romania." I do not personally believe that the wife, the children, the relatives and visitors who regularly visit from Romania Reverend Galdau are also Communist agents or spies. But I know that Reverend Galdau collects thousands of dollars for bringing in political immigrants into the United States. That is why he is interested to keep up this situation.

And as to the facts that are exaggerated, I want to call your attention to the fact that one member of the list which was submitted to you, happens to have been my neighbor and I know very well the situation—79—Stan Gheorghe.

Reverend Galdau claimed that his daughter Carmen was not permitted to leave Romania. The Stan family has not a daughter. They have only one son, who already is in the United States for 3 months.

Thank you, Mr. Chairman.

Dr. KREMER. Mr. Chairman, the next one to speak is Mr. Antonovici.

He asked me to read his statement because his English is absolutely impossible. But I would like to ask your opinion; before I read the statement. I want to know that by reading his statement, can I be involved in slander?

Senator RIBICOFF. I am in no position to pass legally on what takes place with the witness; from what you say, I do not have the slightest idea what you are trying to do. You have to take your own consequences.

Dr. KREMER. I refuse to read the statement.

Senator RIBICOFF. I cannot give you any immunity. I cannot give anybody immunity here.

Dr. KREMER. I refuse to read the statement, then.

You read it the best you can.

Mr. ANTONOVICI. I do not speak very well English.

Senator RIBICOFF. You can file your statement. I do not know what is to be gained by reading it. You can file it; it will be printed, unless it is of such a nature that the committee feels—I have been requested to come to the floor immediately because we are engaged in business. Why do you not file your statement with the committee.

Mr. ANTONOVICI. But I wrote this statement—

Senator RIBICOFF. Then file it with us.

Mr. ANTONOVICI. He is my friend, good friend, and I asked him to read it for me.

Senator RIBICOFF. He does not want to read it for you, and I have to go to the floor. We are past our time; you have already taken, as a group, over 20 minutes, and you are allocated 10.

Mr. ANTONOVICI. It is not 25 minutes, it is 5 minutes. It is not so long.

Senator RIBICOFF. Please go ahead with it.

We are going to have to adjourn. We have been very indulgent with you here.

## STATEMENT OF CONSTANTIN ANTONOVICI

**Mr. ANTONOVICI.** If you have the patience. Related to Reverend Galdau's statement that in Romania there does not exist free immigration, I would like to inform you that his affirmation is a lie and it puts him to shame.

About 10 years ago, Florian Galdau brought from Romania as immigrants his wife and two sons. And every year, the Galdau family is visited by relatives from Romania. Because of the fact that Reverend Galdau uses lies and falsities in front of the U.S. Senate, as a U.S. citizen of Romanian origin, I feel an obligation to describe Reverend Galdau's character and the acts he committed for proving to you that Reverend Galdau is a dangerous person for the Romanian community and for the American society.

Reverend Galdau has recognized that he has stolen money from the Romanian church in New York City.

It was also discovered that Reverend Galdau has permitted and has used the church to be a place for illegal abortions and for money. Such cases are registered with the district attorney in New York City. It should be mentioned that a 6-month-old child was illegally aborted and the child died 1 hour later. It proves that Reverend Galdau committed a crime. Therefore, the Romanians call him a "murderer."

What I have mentioned to you about Reverend Galdau are only a few of the illegal acts committed by Reverend Galdau, but they are sufficient to give you a picture of his character.

It is known that Reverend Galdau is extremely active in opposing also the good relations between the United States and Romania, because the absence of these good relations brings him financial benefits from the Romanian immigrants.

Related to Mr. Pamfil Riposanu, attorney from New York City, he also sabotages the commercial agreement between the United States and Romania.

Who is Pamfil Riposanu?

This person is detested by all Romanians around the world. He has fully contributed to the establishment of Stalinist dictatorship in Romania, between 1946-47. At that time, Mr. Riposanu was the general secretary of the ministers council presided by Dr. Petru Groza and Ana Pauker. In that function—of general secretary—Mr. Riposanu has supported the giving up of the provinces of Bucovina, Hertza, and Basarabia with 5 millions of Romanian inhabitants—to the Soviet Union. While he was in that function, Mr. Riposanu has terrorized the Romanian population in order to convert it to Stalinism.

As an attorney in New York City, Mr. Riposanu practices blackmail, lies, and dirty procedures in order to influence and corrupt American justice. Such acts bring him enormous financial benefits. Because of such monstrous acts, decent people consider him an outlaw and godless.

**Senator RIBICOFF.** Your entire statement will go in the record as if read, if you will file it.

Thank you, gentlemen, the committee will stand adjourned until further call by Chairman Long.

**Dr. KREMER.** Thank you very much.

**Mr. MILHOVAN.** Thank you very much.

**Mr. ANTONOVICI.** Thank you very much.

[The prepared statements of Messrs. Kremer, Milhovan, and Antonovici follow:]

**STATEMENT OF DR. CHARLES H. KREMER, PRESIDENT OF THE ROUMANIAN  
JEWISH FEDERATION OF AMERICA, INC.**

Mr. Chairman and members of the Committee: Our organization the Roumanian Jewish Federation of America, Inc. is pleased to have the opportunity to testify before your committee. I represent our organization in my capacity of president. Since 1927 I have been active in Romanian-Jewish affairs. I have visited Romania in 1927, 1947, 1965, 1967, 1969, 1971 and 1972. Because of my frequent visits there I can testify that Romania has made great progress, especially in their treatment of the various religions and minorities. Vulgar and pejorative terms—the Romanian counterpart of the term "kike"—are no longer found in the Romanian lexicon, although they were commonly and frequently used during the Iron Guard era by the likes of Horia Sima, General Antonescu and Rt. Rev. Bishop Valerian T. Trifa of the Romanian Episcopate. Trifa, incidentally, after evading justice for 25 years finally is being brought to trial in Federal Court in Detroit, Michigan. (See Exhibit A)

While Jews were ruthlessly murdered during the Iron Guard regime today they are granted the amenities of religious life. They are allowed to obtain kosher meat and provision is made for kosher slaughtering. During the Passover Matzos are baked and sold or given away free. The chief Rabbi of Romania, Dr. Moses Rosen is a member of the house of deputies. Jews have canteens and summer resorts where kosher food is served. Synagogues are open daily. They can buy Israeli kosher wine. Israeli Jews can visit freely their relatives in Romania. The Joint Distribution Committee openly helps the poor and Chief Rabbi Rosen is enabled to travel all over the world.

All the minorities including Magyar and German have the full religious and cultural freedom. The Jews have their own Jewish theaters, their own children's religious schools, even a school for rabbis and their own bimonthly publication in 3 languages: Romanian, Hebrew and Jewish.

We believe that some of the Romanians who testified against the Trade Bill did so because of political and/or personal reasons and are against the very progress and prosperity of the Romanian people.

We also believe that the motives of the Hungarian representatives who testified against extending MFN to the Romanian Government were not an expression of truth, but strictly political. Their assertions were not dealing with the actual situation of the Magyar minority which enjoys full political, cultural, religious and economical freedom, being protected by the Romanian constitution which guarantees all citizens equal rights, irrespective of their religion, nationality or sex.

During the 1967 war of Israel, Romania was the only country behind the Iron Curtain who voted with the U.S.A. in favor of Israel, did not break its diplomatic relations and maintains good economic, cultural, and diplomatic relations with both Israel and the Arab countries. I must state I deplore that the P.L.O. has an office in Bucharest and their leaders were received officially by the Romanian President Ceausescu.

Even though Romania had kings of German origin, during the 1st World War, Romania was on the side of the allies and if not for the Iron Guard in General Antonescu's Government, Romania would have been again with the allies in the second war. Before this war ended Romania left the Nazi and came on our side.

Immediately after the 2nd World War, because of her direct frontier with Russia and being overrun by the Russian armies, Romania was forced to adopt a political policy similar to the giant communist neighbor. After Russia began a rapprochement with U.S.A., Romania was the first country behind the Iron Curtain to search for closer ties with the Western World and begin a more independent life. This attitude is always threatened by some extreme communist elements who still want to be subservient to Russia. If the Western World and especially the U.S.A. will abandon Romania, we will lose our last stronghold behind the Iron Curtain. Before Ceausescu regime the Russian language was obligatory. Today the students are allowed to take up French and English, excluding totally Russian. This fact shall prove to us that Romania wants to be a bastion of the Occident in the East and be as in the past a bridge between Eastern and Western civilization. For her new role, we must facilitate her separation from Russia by giving her economic concessions.

Today Romania looks to the West for her salvation.

I am enclosing some documentation in relation to a recent Romanian humanitarian act. Suffice it to mention that the J.T.A. on its bulletin of April 30, 1975 announced that a Jew, Andrei Asher, was condemned to death in Romania for offering a bribe. Our organization mobilized a group of Rabbis and Jewish organi-

ratified and after referring to Presidents Ford and Carter, Dr. Kissinger and Dr. Wilbraham of the U.N., we succeeded to have the protocol committed to 30 years in jail for which we are grateful. (See Exhibit B & C).

Now the Jewish name was born, about 400,000 Jews have left Romania for Israel, the U.S.A. or any other country in the world as the Jews desired. Under no condition because of this fact Romania cannot and shall not be placed in the category of a Bantu. Our organization has submitted recently a list of Jewish civil, women and children to the Romanian Ambassador to our country in Washington in order to reunite their families. I was assured that my list will be submitted to the proper authorities and blessed by allowing the people to have very good holidays.

We who have been active in Romanian emigration for 3 decades know very well that Romania's emigration had varied in number of exit visas, sometimes as many as 10,000 in one month and sometimes none at all for months. At present Romania has tightened the screw of emigration, but we sincerely hope that Romania aware of U.N. article 13 will allow all persons desiring to emigrate and will loosen up the emigration screw.

We regret very much that at present Romania has ordered the emigration quota. Because we are convinced that the Romanian Government is aware of the true meaning of the Jewish Yassuk Agreement it will react after the emigration of its citizens, both Jews and gentiles.

We urge the U.S.A. Senate to vote in favor of the Romanian U.S.A. trade agreement providing that the government acts to increase the present rate of emigration and offers every Romanian the right to emigrate to any country in the world. I am convinced that the results will contribute to a free trade between our two nations.

Dr. CHASLES H. KREMER

THE NEW YORK TIMES, NEW YORK, N.Y. Thursday, July 14, 1944

#### CALL ROMANIAN HIGHLY IN U.S. A NAZI SLAYER

This has repeatedly denied that he was a war criminal or commander of the Iron Guard but he never denied membership in that sinister society.

The given, titled guard men were the combat troops of the first Legion of the Archangel Michael. Trifu was 60, joined the legion when he was in the early 20s and has one of the fieriest youth leaders. In 1937, while president of the Bucharest Student Center, he was arrested and jailed for instigating a riot. He was sentenced to six months on a double charge in 1938.

In 1940 Gen. Ion Antonescu formed a coalition government, naming Iron Guard commander Sima as vice premier and Trifu president of the National Union of Romanian Christian Students.

#### Polishmen Executed Massacres

In January 1941, Trifu issued a manifesto urging Romanians to avenge the death of a German Nazi leader who had been killed in Bucharest by a Greek when Trifu described as a sympathizer of the allies. Shortly thereafter, the Iron Guard tried to seize control of the government but the guardsmen were defeated by the Romanian army and police. The result was that became a massacre, with guardsmen butchering unarmed civilians.

The German forces in Romania took no part in the Iron Guard uprising but they helped the defeated guardsmen escape to Germany. Trifu found sanctuary in the German Embassy at Bucharest as before being shipped to Hitler's Reich with the exiles.

The 10 to 15 prisoners that he spent the war years as a prisoner in Dachau and Buchenwald concentration camps. But former inmates, guards and officers of these camps have testified that the guardsmen were treated as "good boys" who were housed in comfortable barracks and served the same meals as the camp prisoners.

Hitler and his chief, Heinrich Himmler, apparently wanted to further Iron Guard Antonescu regime but they also wanted to hold the guardsmen in reserve because they were needed.

#### Found in His Father's Reich

In July 1941 the Antonescu government tried Trifu in at court for his alleged part in the Iron Guard revolt. He was sentenced to life in prison, five years later, Romania's first postwar government tried him again in absentia and again found him guilty.

By this time, Trifa was in Italy. He stayed there until 1950 when he came to the United States as a displaced person. On his application for an American visa, Trifa failed to mention his wartime sojourn in Germany. He claimed he had emigrated to Italy from Romania. He also neglected to mention his Romanian arrests and convictions, which he now attributes to "politics."

When Dr. Kremer learned of Trifa's presence in America, he wrote a letter of protest to the Immigration Service. Since then, he has bombarded Congress, the White House, the Justice Department and various other agencies with thousands of letters demanding Trifa's deportation.

#### **Immigration Official Hops Off**

In reply to one of his early letters, an immigration officer wrote:

"Receipt is acknowledge of your telegram of April 23, 1952, regarding the conversion of Violet Trifa (he later changed his name to Valerian) as a bishop on April 27, 1952. I regret that your request that we intercede to prevent the conversion of Mr. Trifa as a bishop cannot be granted. I am sure that you realize that this service, being a government agency, cannot interfere in religious matters even though this service may be interested in the individual concerned."

Now, 24 years after Trifa entered the United States, the Immigration Service has reopened his file. Immigration agents reportedly have questioned at least 12 new witnesses in the case and are studying Trifa's records to see if he gave false statements about his past.

"There is some indication that he may not be telling the full truth," Charles Gordon, general counsel of the Immigration Service, said recently. "I don't know if we can prove it."

When Dr. Kremer urged him to speed up the inquiry, Gordon assured him that "we haven't been asleep."

"Well, I haven't slept for 39 years," Kremer replied.

The News reached Trifa by telephone at his Grass Lake residence. He declined to be interviewed, saying he had been misquoted by other reporters on numerous occasions. Then his secretary read the newsmen two long statements. In one of them, the bishop denied all past and present charges against him. In the other, the International Congress of the Romanian Orthodox Episcopate expressed its support of Trifa and denounced the "vicious campaign of defamation against him."

(From the Detroit Free Press, Saturday, May 17, 1951)

#### **U.S. SEeks To Revoke Bishop's Citizenship**

The U.S. government filed suit in federal court Friday to revoke the citizenship of Valerian D. Trifa, a bishop who heads the Romanian Orthodox Episcopate of America.

The government charges that Trifa lied about his affiliations with 100,000 anti-Semitic organizations in his application for naturalization.

Trifa, who lives in Grass Lake, was accused of taking part in atrocities against Jews in Bucharest, Romania, in 1941 when he was president of the National Union of Romanian Christian students, a section of the Iron Guard which recommended the killing of Jews.

The suit says Trifa swore that he had never advocated or assisted in the persecution of any person because of his or her race or national origin and that he had never been a member of the Romanian Iron Guard.

It charges further that Trifa participated in activities beginning in January, 1941 which resulted in the murder of Jews and destruction of their property in Bucharest.

The government says Trifa won his U.S. naturalized citizen status by concealing facts and making misrepresentations about his former affiliations.

The government believes Trifa played a key role in an uprising of the Iron Guard which turned into a pogrom in which more than 100 Jews died, that he headed a "death command" squad that carried out political assassinations and that he negotiated the ransom and killing of prisoners.

Last December Trifa admitted that he led the student group that was part of the Iron Guard, but denied that he participated in atrocities.

He said anti-Jewish statements he made were written for him by leaders of the Iron Guard.



[From the Detroit Jewish News, Friday, May 9, 1975]

### DENTIST'S 25-YEAR STRUGGLE ON TRIFA NEARING CONCLUSION

**NEW YORK.**—With the help of a New York newspaper editor, Dr. Charles H. Kremer is finally seeing his 25-year struggle to bring Romanian war criminal Bishop Valerian D. Trifa of Grosse Lake, Mich., to justice.

Dr. Kremer, a dentist, whose battle to bring the Romanian Orthodox bishop to trial was chronicled in the American Jewish Committee's quarterly, *Present Tense*, by author Peggy Mann, got help in exposing the bishop from David Horowitz, editor of the *United Israel Bulletin*.

Horowitz had been in Israel and Rumania where he learned of Trifa's participation in the Iron Guard, a Fascist body which murdered hundreds of Jews. Horowitz printed the information he received in his newspaper.

Kremer received copies of the newspaper from friends and upon seeing the Trifa items, contacted Horowitz. Since then, *The New York Times* and other national newspapers have picked up on Trifa's activities, as well as the Immigration and Naturalization Service which is planning to file suit asking for the bishop's deportation.

[From Daily News Bulletin]

### JEW SENTENCED TO DEATH IN RUMANIA

**BUCHAREST, April 30 (JTA)**—Asher Andrei, a resident of the Rumanian capital, has been sentenced to death here on a charge of accepting bribes. All his belongings have been confiscated. He has appealed against the death sentence but the date of the hearing has not yet been set. There are no further details on the nature of the charges. Andrei, a 63-year-old chemist, is married and has a married son living in Rumania. A daughter lives with her husband and children in Israel. Andrei has not applied to emigrate from Rumania.

The report of Andrei's sentence arrived less than a week after President Ford asked Congress to act favorably on a trade agreement with Rumania. The agreement was expected to provide an initial legislative test of the restrictions in the 1974 trade act which link U.S. trade benefits to freer emigration from Communist countries. That law contains amendments from Sen. Henry Jackson (D-Wash.) and Rep. Charles Vanik (D-O.) providing such a linkage and aimed at compelling the Soviet Union to allow more Jews and other nationals to emigrate.

In the negotiations in Bucharest earlier this month, the Rumanian government rejected such a linkage but Rumanian officials cited Rumania's relatively liberal emigration policy, under which nearly 400,000 Rumanian Jews emigrated since the end of World War II, mostly to Israel.

### DEATH SENTENCE OF RUMANIAN JEW COMMUTED TO 20 YEARS IN JAIL

**NEW YORK, May 14 (JTA)**—The death sentence handed down against Andrei Asher, a 63-year-old Rumanian Jew, has been commuted to 20 years' imprisonment. It was confirmed by several sources here today. Asher, a resident of Bucharest and a chemist by profession, was sentenced to death on April 30 after conviction for alleged economic crimes involving acceptance of a bribe.

Jacob Birnbaum, national director of the Center for Russian Jewry with the Student Struggle for Soviet Jewry, reported the commutation. It was confirmed by Dr. Charles H. Kramer, president of the Rumanian Jewish Federation of America. Birnbaum said he was given word of the commutation by Ion Datcu, the Rumanian Ambassador to the United Nations following an earlier meeting he had with the Rumanian Ambassador to Washington, Cornelius Bogdan. Birnbaum said that "Hopefully, in view of his (Asher's) age and state of health they will let him out earlier."

Efforts to save Asher's life were made by Dr. Kramer's organization this week. Six Orthodox rabbis signed an appeal to Rumanian President Nicolae Ceausescu to grant clemency to Asher and reverse the death sentence. The same group signed messages to President Ford, Secretary of State Henry A. Kissinger and UN Secretary General Kurt Waldheim to intervene to save Asher's life.

## STATEMENT BY PROFESSOR CONSTANTIN ANTONOVICI

Mr. Chairman. Honorable Members of the Committee.

I am a Romanian born and a U.S.A. citizen since 1959. I am a former Student of the well known sculptor C. Brancusi. I am member of the "National Sculpture Society", U.S.A., and listed in "Who's Who in American Art," and England's "Dictionary of International Biography."

Mr. Chairman and Honorable Members, I take this opportunity to testify before your committee and I would like to ask you to approve the Commercial Agreement between U.S.A. and Romania. It is my strong conviction that such a event will consolidate sincerely and durably the relationships between these two countries. Please, take in consideration that the Universal History mentions Romanian People among the oldest European civilizations, with an original and rich culture, which for millenniums contributed to development of other cultures from others nations in Europe and recently in the U.S.A.

I would like to guarantee you that Romanian People was, is and will be a sincere friend of the U.S.A., as of the all civilized countries. It is my conviction that if you approve this Commercial Agreement, you will have a good opportunity to see the friendship and loyalty of this people. I would like to mention that if in the last decades, Romania was forced to stay farther from its traditional friendship with U.S.A., it was because conditions from outside of her border were imposed on her and against Romanian People will. Such conditions, the Romanian soul never approved. The sincere friendship that Romania has for American People was proved when President Nixon visited Romania in 1967. It was impressive!

*I have left Romania in 1941.* Since that time I visited Romania in three occasions: in 1967, 1970, and 1971.

Mr. Chairman, I would like to mention when I visited Romania after 26 years, I found everything there totally changed. I was impressed by these changes; A new Romania was built up and I could not recognize the year 1941. Other findings, as follow:

1. *Total religious freedom.* The churches are crowded with people. I mention it as I am a good Christian.

2. *There are no longer any political prisoners.*

3. *The present situation in Romania is a relaxation from the former Stalinist oppression, a relaxation with tendency of liberalization and modern democracy.*

I Vehemently Protest!:

Against those malicious false declarations which were made to this Honorable Committee with the main purpose to influence the U.S.A., not to sign this Commercial Agreement.

According to my findings, these wicked declarations follow:

1. *Declaration of Hungarian Delegation from U.S.A.*

2. *Rev. Florian Galdau, from New York City.*

3. *Mr. Pamfil Ruposanu, attorney from New York City.*

A) *Related to Hungarian population which lives in Romania today, they do enjoy a better life than in Hungry and all civil rights. As compared with the native Romanian population, the Hungarian citizen are given the better jobs.*

Related to the claims of Hungarian Delegation concerning TRANSILVANIA, I would like to remind you that International History mentions Transilvania is the CRADLE of the Romanian People, since the Neolithic times, (cc. 5,000-6,000 years ago). The archeological findings prove it.

As you know, Hungarians came in Europe as barbarian invaders in the year 898, after Christ. Because of the fact that Hungarians were invaders they occupied many provinces and among them Transilvania too. But they always constituted a fraction of the Transilvania Population. There are in Transilvania about 1,300,000 Hungarians, while the Romanian autochthonous population is 5 millions.

Both ancient history and modern history make it clear to all thinking men, that the Hungarian declaration is frivolous and undemocratic.

B) *Related to Rev. Florian Galdau's declaration that "In Romania does not exist free emigration",* I would like to inform you that his affirmation is a lie and it put him on shame: About ten years ago Rev. Florian Galdau brought from Romania (as immigrants) his wife and two adult sons. In every year, the Galdau's family is visited by relatives from Romania.

Because the fact that Rev. Galdau uses lies and falsities in front of U.S. Senate, as a U.S. Citizen of Romanian origin, I do feel as a obligation to describe Rev. Galdau's character and the acts he committed, for proving to you that Rev. Galdau is a dangerous person for the Romanian community and also for the American society. Rev. Galdau has recognized he stole money from the Romanian church, in New York City.

It was also discovered that Rev. Galdau has permitted and has used the church to be a place of illegal abortions, (for money). Such cases are registered with the District Attorney in N.Y. City. It should be mentioned that a six months old child was illegally aborted and the child died one hour later. It proves that Rev. Galdau committed a crime. Therefore the Romanians call him a MURDERER!

What I have mentioned to you about Rev. Galdau it is only a few of the illegal acts committed by the Rev. Galdau, but they are sufficient to give you a picture of his character.

It is known that Rev. Galdau is extremely active in opposing also in the relationship between U.S.A. and Romania, because the lack of these good relations brings him financial benefits from the Romanian immigrants.

C) *Related to Mr. Riposanu Pamfil*, attorney from New York City. He also sabotages the Commercial Agreement between U.S.A. and Romania.

Who is Pamfil Riposanu?

This person is detested by all Romanians around the world! He has fully contributed to the establishment of Stalinist dictatorship in Romania, between 1946-1947. At that time Mr. Riposanu was the General Secretary of the Ministers Council presided by Dr. Petru Groza and Ana Pauker. In that function (of General Secretary), Mr. Riposanu has supported the giving up the provinces of Bucovina, Hertza and Basarabia (5 millions of Romanian inhabitants) to Soviet Union. While he was in that function, Mr. Riposanu has terrorized Romanian population in order to convert it to Stalinism.

As attorney in New York City, Mr. Riposanu practices blackmail, lies and dirty procedures in order to influence and corrupt American justice. Such acts bring him enormous financial benefits. Because of such monstrous acts, decent people consider him an outlaw and godless.

Mr. Chairman;

Related to my observations concerning Rev. Galdau and Mr. Riposanu, please, take into consideration that I understand every nation has its destructive elements. . . .

Mr. Chairman;

Please take note of all the facts presented to you and also please take note that I am ready at any time to present you with concrete proofs for what I mentioned above. I also beg you to reject all the depositions of those who oppose to be signed the Commercial Agreement between U.S.A. and Romania.

By submitting to you this request for the signing of this accord, I express my American and Romanian patriotic sentiments.

Prof. CONSTANTIN ANTONOVICI.

STATEMENT OF DEAN MILHOVAN, EDITOR OF "DREPTATEA" AND PRESIDENT OF THE AMERICAN-ROMANIAN CHRISTIAN COMMITTEE

Mr. Chairman and members of the Committee:

On behalf on our newspaper "Dreptatea" (The Justice), and our organization "American-Romanian Christian Committee", as its president, we want to thank you for this great privilege to testify before your committee.

We associate ourselves with the other speakers favoring that Romania should be added to the list of the most favored nation treatment for its products. We well know that the present Romanian Government is a communist one and we don't agree on everything. I am personally a victim of Romanian communism. I was a Royal Romanian Army officer, put in jail for political reasons, therefore I could not practice my profession as a lawyer in Romania. My father, a leader of an old political party, was also in jail. All our assets were confiscated and my family was deported.

I hate the oppressive Russian imperialistic communism, but I want to assure you that the present regime has made lately a significant forward movement for liberty and democracy. I visited Romania twice, 1 year and 2 years ago and I was astonished. I find there many changes as:

—All religions are now really free in Romania.

- All minorities, including the Jewish, Magyar and German enjoy all their citizenship rights.
- There are no more political prisoners and no more political oppression. The Romanians would want more political parties, but they fear that such a movement could annoy the Russians and would repeat the Hungarian and Czechoslovakian events.
- The labor unions are substantially independent and proficient in dealing for better membership rights.
- The standard of living has increased well and can now be compared with that of Yugoslavia and even Italy—even though the food is plentiful, the trade and commerce are not properly organized.

I discovered that many changes took place during the 8 years I was absent. Of course, there are many things which must be done in Romania in order to reach the level of a real democracy. To accomplish these goals, there is a concern in Romania and I believe it is better to give Romania an advantageous trade agreement and to help them for these purposes.

For this very reason we urge the committee to grant Romania this most favorite trade bill. Its passage will further inspire Mr. Ceausescu, its president, to give the people more freedom.

We desire to assure you that despite their communist government the Romanian people are really our friends. They love America very much. Even today, they still hope that the Americans will help substantially them to act independently from Soviet Russia. The U.S.A. really needs friends abroad. The Romanians are and will always be U.S.A supporters, no matter which political regime governs them.

Since the passage of this trade bill obligates Romania to allow emigration and Romania is on trial for 3 years, we sincerely believe that this commercial agreement will lead substantially to freer emigration and to more freedom for Romanians.

We are also taking this opportunity to call your attention to a few matters which by their mere presence, if not suppressed now, will forever interfere with the good progress of both American and Romanian Nations efforts to create a more congenial life together for a better cooperation in the future.

There is an extremist Romanian group who tries very hard to create bad relations between U.S.A. and Romania. At present they work persistently to prevent the approval by Congress of the agreement, because of the following:

- Any improvement in U.S.A.-Romanian relations will discover their past crimes in Romania, thereby facilitating their exposure as criminals.
- By maintaining and preserving the present political tension, they gain important economical benefits. Their involvement in this matter creates a conflict of interests and diverts our economic interests. Any improvement of relations between our two countries will also threaten their leadership in the Romanian community and in the Romanian churches.

With your permission I wish to cite the most eloquent example; Rev. Florian Galdau of New York City, who has already testified before Committee on Ways and Means on the Financing of the Social Security System.

Rev. Galdau stated that "there is not a liberal emigration policy in Romania". If so, how did he succeed to bring his own wife, his own two major children and thousands of other Romanians to reunite the families in the U.S.A.? There are 400 thousand Jews only in Israel who have immigrated last year from Romania.

Rev. Galdau also stated that "only those emigrants and visitors are permitted to leave Romania, who are communist agents and spies." I don't personally believe that the wife, children, relatives and visitors of Rev. Galdau, who were permitted to leave Romania, are communist agents or spies. But I know that Rev. Galdau collects thousands of dollars for bringing political refugees in U.S.A., or to organize such propaganda.

Thank you,

DEAN MILHOVAN, <sup>51</sup>Editor.

[From United Israel Bulletin, Summer 1974]

#### FLORIAN GALDAU, A PRIEST, HEADS NEW YORK IRON GUARD CELL

Florian Galdau, the priest of the San Dimitri Church, 50 West 89th Street, Manhattan, heads an Iron Guard cell, a "fascist" organization, in the metropolitan area.

Galdau's church serves as a "center" of pro-Trifa, anti-Jewish and anti-Rumanian-Government activities. It supports two reactionary publications, *Exilul Solidar* (Solidarity of Exiles), edited by the former Iron Guardist P. Milhail, and the *Boyan News*, edited by George Boyan, also an Iron Guardist.

Both publications, released in mimeographed form, are continuously attacking the *United Israel Bulletin*, *The New York Times*, Dr. Charles Kremer and others for their exposes of Bishop Valerian D. Trifa who is currently under investigation by the U.S. Immigration authorities for his fraudulent entry into the United States.

Galdau's church, because of its profane, unchurchly activities, has no standing whatsoever with the majority of decent Rumanian-Americans residing in New York who refuse to have anything to do with it and with its leadership.

Galdau's church has become a breeding ground for the spread of racial discord and hatred. Young Rumanian immigrants, arriving in this country and needing guidance and assistance in housing and work, are immediately accosted by Galdau and his aides with offers of financial and other aid in the hope of winning them over often through blackmail tactics, to the Iron Guard philosophy. Many of these young immigrants are being organized and trained for the sole purpose of enticing them into the anti-Jewish pro-Trifa camp while at the same time inciting them against the present Rumanian Government with the view to creating friction between Bucharest and Washington.

As one example, we have the case late last year of the young Rumanian immigrant, Virgil Popescu, who went on a hunger strike outside the UN in protest against the Rumanian Government. It was a trumped up case inspired by Galdau to stir up trouble between the two friendly governments.

PROF. CONSTANTIN ANTONOVICI,  
Manhattan, N.Y., May 29, 1975.

HERITAGE CLUB,  
National Council of Republican Ethnic Group,  
Washington, D.C.

HONORABLE SIR: With your permission I wish to call your attention to the following fact:

The "St. Dumitru Romanian Orthodox Church Bulletin of N.Y.", dated May 18, 1975, states that Rev. Florian Galdau participated at the National Council of Republican Ethnic Groups meeting, on May 16-18, 1975, of which member he claims he is.

I am astonished to hear such news and I am sure that if you knew better Rev. Galdau, you would realize that he should not represent the Romanian-Americans.

As a regular Republican Party member, I take this opportunity to inform you that while our native country, Romania, is under the Russian oppression, we can not tolerate in this free America that a priest associated with the official Russian authorities, as Galdau is, to represent the Romanians to any public function.

The appointment of Rev. Galdau to such a function can only damage the reputation of our party and keep away those Romanians who are interested in bringing out their votes for the Republican Party.

Rev. Galdau belongs officially to a Diocese which is under the canonical jurisdiction of the Patriarchate of Moscow, even he is well known as an extremist nazist.

Moreover, Rev. Galdau instigates our Romanian community, denouncing hypocritically its members, that they are communist agents, while he kisses himself the hand of the Russian communist Metropolitan Nicodim, or send his family to visit and enjoy communist Romania.

It is absolutely degrading for our community when a man of his nefarious qualification is considered worthy to be our spokesman. Rev. Galdau has been caught many times lying or stealing the church's money. He had the audacity to allow abortion to be performed in the church. This is the way that Rev. Galdau exercises his religious vocation.

Yours respectfully,

CONSTANTIN ANTONOVICI.

[Whereupon, at 12:30 p.m., the committee recessed, to reconvene subject to the call of the Chair.]

## ROMANIAN TRADE AGREEMENT

TUESDAY, JULY 8, 1975

U.S. SENATE,  
COMMITTEE ON FINANCE,  
*Washington, D.C.*

The committee met, pursuant to notice, at 10:05 a.m., in room 2221, Dirksen Senate Office Building, Senator Russell B. Long (chairman of the committee) presiding.

Present: Senators Long, Talmadge, Hartke, Ribicoff, Harry F. Byrd Jr., Gravel, Packwood, and Brock.

The CHAIRMAN. This hearing will come to order.

The Finance Committee today continues its hearings on Senate Concurrent Resolution 35 the resolution to improve the bilateral trade agreement between the United States and the Socialist Republic of Romania. We had planned to hear Senator Helms briefly, but he is not here; he is at another committee meeting at this moment.

We will hear as our first witness Hon. Frederick B. Dent, Special Trade Representative, accompanied by Hon. John K. Tabor, Under Secretary of Commerce; and Hon. Arthur A. Hartman, Assistant Secretary of State for European Affairs.

Senator RIBICOFF. Mr. Chairman.

The CHAIRMAN. Yes, Senator Ribicoff.

Senator RIBICOFF. May I pose a suggestion? Generally, the key questions here involve all of the witnesses, as I see it. I think there are only two or three questions, as far as I am personally concerned. And instead of questioning all of them, it might be a good idea, if you consider it proper, to have all of the witnesses say what they want to tell, and whatever questions we address, let us address to all of the witnesses, instead of repeating the same ground, to save a lot of time, and get really to the heart of this matter. I mean, I suggest it to you, if you think it is proper.

The CHAIRMAN. Without objection, we will do that.

Mr. Secretary, and I am talking to Secretary Dent at this point, as I said, I fought to make your job a Cabinet rank, and so I am going to address you as Secretary, whether they refer to you as Ambassador or not. You have your Under Secretaries be the Ambassadors, as far as I am concerned. I would suggest that you more or less preside over this presentation of the administration's position, and after the presentation in chief is presented, then we will ask you any questions we will ask you any questions we want to ask.

**STATEMENT OF HON. FREDERICK B. DENT, U.S. SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS, ACCOMPANIED BY HON. JOHN K. TABOR, UNDER SECRETARY OF COMMERCE; AND HON. ARTHUR A. HARTMAN, ASSISTANT SECRETARY OF STATE FOR EUROPEAN AFFAIRS**

Ambassador DENT. Thank you very much, Mr. Chairman and members of the committee.

It is our great privilege to testify today in support of the first agreement negotiated in accordance with the provisions of the Trade Act of 1974. It is important that we in both the legislative and executive branches work closely together to make the procedures of the act for implementing trade agreements effective. We welcome this opportunity and pledge our support in making it successful.

With regard to the United States-Romania Trade Agreement before you today, our joint effort began before the negotiations were concluded in Bucharest, when representatives of my office and the Department of State discussed the agreement with Congress and sought your views and your advice.

After the negotiations, we consulted again and provided an advance test of the proposed agreement. We solicited your views carefully before initialing the agreement, and I think you will find the expressed concerns of the Congress are reflected in the agreement. It contains no surprises.

This agreement when approved will culminate a joint effort between the United States and Romania which stretches back to 1969 when the administration first made a commitment to seek most-favored-nation status for Romania. This goal was reaffirmed in a joint statement by the Presidents of the two countries in 1973.

The joint American-Romanian Economic Commission, formed in 1974 and which I had the privilege of chairing as Secretary of Commerce, set the stage for improved economic relations at the government-to-government level. Similarly, the United States-Romanian Economic Council, involving private sector participation only in the United States, has facilitated increased contact between United States and Romanian businessmen. Thus the groundwork for your consideration of this agreement was being laid long before our negotiators left for Bucharest last January.

An equitable, expanding, and mutually beneficial economic relationship with Romania, as provided in this agreement is very much in the U.S. interest. I believe that this agreement also offers us an excellent opportunity to demonstrate that the congressional overview procedures provided in the Trade Act are indeed workable when the agreement negotiated is in accord with the provisions of the act and is also in the U.S. economic interest. We can thus show that the administration and the Congress are united in seeking the open, fair, non-discriminatory trade called for in the Trade Act.

The agreement before you has been negotiated under the provisions of section 405 of the Trade Act of 1974. Section 405 of the Trade Act sets forth tightly drawn requirements with respect to the provisions of commercial agreements with nonmarket economy countries. Our negotiators took great care to insure that the Romanian Trade Agreement fully meets these requirements.

We recognize that there are fundamental differences between conducting commercial relations with nonmarket and market countries. This agreement reflects these differences.

This committee paid close attention to the economic interests of the United States in writing into the Trade Act the criteria for commercial agreements with nonmarket economy countries. To assure that commercial agreements with nonmarket economy countries are balanced economically, section 405 stipulates that a satisfactory balance of concessions in trade and services must be maintained over the life of the agreement and that any future U.S. trade barrier reductions extended to nonmarket economy countries must be satisfactorily reciprocated.

The provisions of any such agreement are subject to suspension or termination at any time for national security reasons and do not, in any way, limit the rights of the United States to take action necessary to protect its security interests.

Rigorous safeguard arrangements are required to protect U.S. workers and firms from market disruption. Concessions from nonmarket economy countries are required with respect to patents and trademarks, copyrights, and protection of industrial rights and processes.

Finally, there are extensive provisions on business facilitation in order to assure U.S. businessmen the conditions necessary to successfully conduct commercial relations with nonmarket economy countries.

All these provisions and others are included in the Romanian Trade Agreement. For example, article VI of the agreement deals with financial concerns and provides opportunities for U.S. investors.

Let me focus in more detail on the trade aspects of this agreement. A goal of tripling our trade during the next 3 years is established. This is especially significant when the commodity composition of our trade is taken into account.

A rapid increase has marked our trade with Romania in recent years, in fact it quadrupled between 1972 and 1974 to more than \$400 million. It is particularly significant to note that throughout this expansion U.S. exports to Romania have consistently been more than double our imports from Romania.

It is also important to note that during this period of rapid growth, our imports from Romania have been predominantly much needed minerals and fuels. Our exports of machinery and transport equipment have increased even more rapidly than our agricultural exports which have traditionally accounted for most of our exports to Eastern European countries.

This does not mean that Eastern Europe will not continue to be an important and growing market for U.S. agricultural exports. In the case of Romania, cereals and animal feedstuffs are among our leading exports.

The increase in exports of machinery and transportation equipment in recent years has been remarkable, rising from \$11 million in 1972 to \$88 million in 1974. The agreement expressly cites machinery and equipment, agricultural and industrial materials and consumer goods as product categories for which Romania expects to place substantial orders.



Romania's far-reaching new 5-year plan projects a 78.2 percent increase in production in their heavy machine building industry. This will provide expanding market opportunities for U.S. exporters. The Romanian minister of heavy machine building, on a visit to the United States, has made numerous contacts with U.S. suppliers and expressed a strong interest in working with U.S. firms following approval of this agreement.

We thus have every reason to believe that implementation of this agreement will lead to a substantial increase in United States-Romanian trade. This will mean expanding exports, new jobs and, based on recent trends, a strengthened balance of payments.

There are several other significant commitments made by Romania in the agreement which will benefit our exporters. Romania undertakes to maintain a satisfactory balance of concessions in trade and services during the period of the agreement and to appropriately reciprocate tariff reductions that may be made by the United States in the Multilateral Trade Negotiations, MTN. Romania will also be required to participate in any nontariff barrier agreements from which it hopes to benefit.

Additionally, the agreement reaffirms the commitment in Romania's GATT protocol which provides that Romania will increase its imports from GATT member countries at the same rate as its overall imports as provided in its national development plan. This commitment becomes more noteworthy each year as the base on which this growth rate is computed expands. The commitment is significant in that it recognizes that the Romanian economy differs from those of ~~market economy~~ GATT members and also because it links achievement of our trade goal to the Romanian 5-year plan.

In addition to providing these substantial opportunities for U.S. exports, article III and annex I of the agreement assure safeguards on the import side for U.S. workers and firms which may face competition from Romanian exports as we move from column 2 rates of duty to most-favored-nation rates. These safeguard provisions provide the maximum possible level of protection and are consistent with the requirements of the Trade Act.

The safeguard provisions allow the United States to impose such restrictions as we deem appropriate to prevent or remedy actual or threatened market disruption. The agreement provides for prompt consultations in the event of actual or potential market disruption, but also allows the United States to place restrictions into effect prior to the end of the 90-day consultations period should we determine that an emergency situation exists. The standard for determining market disruption applicable to nonmarket economy countries is an easier one under which to invoke safeguards than is the criteria applied to non-Communist countries.

Thus the provisions of this agreement, in accordance with the provisions of the Trade Act, assure that our trade will expand in a manner which does not subject American industry and labor to sudden, unfair or injurious import competition.

The administration believes that this agreement is a sound, economically balanced one. Combining the substantial opportunities it offers on the export side and the necessary safeguards on the import side, we believe that this agreement will advance U.S. economic interests.

We are also mindful of the political and foreign policy benefits which would be achieved by its approval.

For these reasons I recommend your favorable consideration and approval of this trade agreement.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Secretary.

Next, we will hear from Mr. John Tabor, Under Secretary of Commerce.

Mr. TABOR. Mr. Chairman, it is a great pleasure to be with you and the members of the committee this morning.

Thank you very much for inviting me to appear before the committee and to speak on behalf of the agreement on trade relations between the United States and the Socialist Republic of Romania.

Negotiations on this agreement began in January of this year, but, the Ambassador has stated, its history can be traced back many years. In December 1973, the President of Romania visited the United States and, together with the American President, issued a joint statement on economic, industrial, and technological cooperation. The statement reaffirmed the administration's commitment of 1969 to move toward a normalization of trade relations by seeking authority to provide non-discriminatory tariff treatment for Romanian goods entering the United States.

We respectfully submit that now is the time to give substance to our earlier statement. Now is the time for the United States to take another step toward the goal of normal trade relations with Romania by removing our discriminatory tariffs against Romanian exports.

Recent years have witnessed a marked improvement in our trade relations with Romania, as shown by the significant increase in U.S.-Romanian trade. The detail is set forth in the last page of my testimony, my printed testimony. But I would want to point out that in 1970, U.S. two-way trade with Romania was a modest \$80 million. In 1974, this trade reached a level of \$407.6 million. U.S. trade with Romania, moreover, has been running better than 2 to 1 in favor of U.S. exports during the 1970-74 period.

Two-way trade for the first 5 months of 1975 totaled \$136.5 million, down \$51.5 million from the same period last year. At this time, it was running 3 to 1 in U.S. favor. Part of the reason for this decline may well be the uncertainty over the outcome of the trade agreement. We anticipate that trade will return to its former growth pattern upon favorable congressional action on the trade agreement.

The fivefold increase in our trade with Romania between 1970 and 1974 was made possible through efforts on the part of both countries to create a climate favorable to a greater exchange of goods and services. On the government-to-government level, the American-Romanian Economic Commission, which was created during the Romanian President's 1973 visit, provides a forum for an annual review of bilateral trade relations and for the resolution of problems that may arise in our trade. The Commission, which will be meeting later this year in Washington, is cochaired by Secretary Rogers Morton of the Department of Commerce and the Romanian Minister of Foreign Trade.

Within the private sector, the United States-Romanian Economic Council was also created in December of 1973 by the Chamber of Com-

merce of the United States and the Romanian Chamber of Commerce and Industry. A major goal of this Council is the facilitation of increased contact between American companies and their Romanian counterparts. The Economic Council concluded its second annual meeting in Washington at the end of May. Secretary Morton and Chairman Casey addressed their session, and in addition, the Vice President personally visited the Council. This degree of the administration's association with the Council is illustrative both of the administration's interest in normalizing trade relations with Romania and of the valuable services performed by the Economic Council.

Romania itself has taken steps to liberalize its foreign trading system in a manner that has brought benefits to American companies. It has issued regulations permitting the United States and other foreign firms to open their own offices in Romania. In addition, Romania has also expanded the possibilities for cooperative arrangements between its trading and producing organizations and foreign firms. A number of American firms have been active in such arrangements.

Romania has consistently sought to improve its relations with the developing countries and with the West. This has necessitated a great deal of independence on Romania's part, as illustrated both by Romania's effort to gain observer status at this summer's summit conference of nonaligned countries and by its decision to go ahead with a trade agreement with the United States.

Parallel with these actions, Romania has taken steps to integrate its economy into the world economic system. Romania is now a member of GATT, the IMF, and the World Bank. The result is that Romania's trading relationships have been substantially liberalized. Over the last 15 years, Romanian imports from the Communist countries have dropped from 73 percent to 47 percent, while imports from the industrialized West have risen from 23 percent to 41 percent. Today, over 50 percent of Romania's foreign trade is with the industrialized West and the developing countries. Nevertheless, its trade with the United States amounted to only a small percentage, approximately 6 percent, of its total trade with the West in 1974.

Under the trade agreement, total United States-Romanian trade could increase steadily to as much as \$1 billion by 1980. Although U.S. trade with Romania will continue substantially in our favor, we do not believe that the United States can continue to run a 2 to 1 trade balance with Romania forever. Consequently, we should expect a narrowing of this gap. About a quarter of Romania's present exports will benefit from lower duties, and there will certainly be efforts to sell products not currently sold to the United States because of discriminatory tariffs.

Of Romania's exports to the United States, petroleum fuels and lubricants have been dominant. In 1974, over 65 percent of its exports to the United States, over \$80 million worth, consisted of such products. Other important exports to the United States were agricultural tractors, footwear, canned hams, glass, and clothing.

Trade in these products is expected to continue, but in addition, there are certain commodities that are potential Romanian exports if tariff discrimination were removed. These include construction materials; such chemical products as synthetic rubber, fibers, polyethylene, caustic soda, and soda ash; metal products; rolling stock; and elec-

tronic components. Such products are generally of high raw material content rather than more sophisticated products or highly labor-intensive goods.

Some critics of the trade agreement contend that congressional approval would mean an export of jobs to Romania and thus a deterioration of the U.S. standard of living. We very much appreciate this concern over the employment situation in the United States, but contrary to this view, we see a potential for job creation in this country as a result of positive congressional action on the trade agreement.

Romania is anxious to import a large variety of manufactured goods from the United States to be used in conjunction with projects under the new 1976-80 5-year plan. However, as a result of the large deficit which it has been running with the United States, the Romanians have found themselves in a position where they do not have enough hard currency to import all the products from America which they desire. It has been stated by responsible Romanian officials that once MFN is extended, Romania will be able to expand its hard currency earnings through increased exports and thus be in a better position to increase its imports from America. These same persons have advised us that Romanians will use their dollar earnings to buy here. The more they earn, the more they will buy.

In addition to MFN, approval of the trade agreement will result in Eximbank and other governmental credits and guarantees again being extended to Romania. Without MFN and Eximbank financing, the Romanians will be forced to make many of their purchases from our competitors in Western Europe and Japan, where government-supported credits are readily available and incidentally, where MFN treatment is also available. Instead of protecting U.S. jobs, this could only result in the loss of potential employment and exports.

With respect to the U.S. investment in Romania, it might also be mentioned that the Control Data Corp., the only U.S. company presently having a joint venture in Romania, has estimated that one out of every four of its jobs in its domestic manufacturing operations has come about as a result of its foreign operations, including the operations in Romania.

In addition to providing a normal basis for bilateral trade, the trade agreement offers important benefits for U.S. business. In the area of business facilitation, the trade agreement provides assurances that American firms shall receive treatment no less favorable than that accorded to firms of other foreign countries in establishing offices, including the obtaining of office and housing accommodations and the hiring of personnel, all in accordance with Romanian law. The trade agreement provides that firms of either party shall be permitted within the territory of the other to deal directly with buyers and users of their products for purposes of sales promotion and servicing. Furthermore, the agreement contains provisions for the facilitation of entry and travel by tourists and other visitors, and encourages each country's participation in trade fairs and exhibits in the other country.

Although the Romanians have furnished many of these benefits to U.S. firms on an informal basis, their specific identification in the trade agreement will enable all U.S. firms to take greater advantage of the liberalized Romanian regulations with respect to the establishment of

business offices in Romania and to the establishment of equity participation in joint enterprises with Romanian enterprises.

Let me speak for 1 minute about the safeguard provisions of the trade agreement. In the event that U.S. jobs and firms ever be threatened by Romanian exports, the safeguard provisions of the trade agreement provide the greatest possible flexibility and the greatest possible protection to deal with these problems.

First, consultation may be initiated by the U.S. Government under article III of the agreement whenever it believes that imports from Romania are causing or threatening to cause, or are significantly contributing to market disruption within a domestic industry. In addition, a certified or recognized union, a firm, a trade association or any other entity which is representative of an industry may petition the President under section 106(d) of the act to initiate consultation. The President must initiate such consultations if he determines that there are reasonable grounds to believe that disruption exists.

The purpose of such consultation is to reach, within 90 days, agreement on appropriate action to remedy the problem. If an accord on quantitative limitations or other restrictions is reached, the Romanians must take measures to insure that such limitations or restrictions are adhered to. Moreover, even if accord is not reached, the annex to the agreement spells out that the quantitative import limitations or other restrictions stated by the importing party, the United States in this case, to be necessary to prevent or remedy the market disruption, shall be implemented. In other words, the United States may request that Romanian exports to the United States be restrained and the Romanians will be obliged to take whatever action they deem necessary to comply with the U.S. request.

In addition to the provisions of the agreement, the Trade Act establishes an entirely separate but complementary means to protect U.S. jobs and firms against injury from increased U.S. imports from Romania. At any time import relief investigations may be initiated under title IV by the President, a union, a trade association, or the Senate Finance Committee.

Section 106 requires an investigation by the International Trade Commission and a finding within 3 months as to whether or not market disruption exists. We note that the market disruption test is intended to be more easily met than the old serious injury test which applies to non-Communist countries under the import provisions of title II of the Trade Act.

If the Commission finds in the affirmative, the President shall find and shall provide import relief in the form of a duty increase, a tariff-rate quota, quantitative restriction, or he shall negotiate an orderly market arrangement, or he may take any combination of such actions, unless he determines that such action is not in the national economic interest. The President also may direct the Secretary of Labor and the Secretary of Commerce to give expeditious consideration to petitions for adjustment assistance for workers and firms of the affected industry.

As a final means to assure adequate protection against market disruption for domestic firms and workers, the President is not bound to wait 90 days either for the conclusion of consultations or a Commission investigation. According to the annex I of the agreement, restrictions may be put into effect prior to the conclusion of the consul-

tations if an emergency situation exists. Domestic authority to impose temporary emergency restrictions prior to the Commission's finding of market disruption is also provided in section 406(c) of the Trade Act.

We think that Congress has written perceptive safeguards into the Trade Act for trade with Communist countries. We believe that the administration has presented the Congress with a trade agreement that offers important benefits and maximum protections to the United States. We are convinced that this trade agreement will provide a proper nondiscriminatory basis for the development of United States-Romanian economic and trade relations and for the expansion of cooperation between the two countries on a solid and enduring basis. We therefore respectfully urge that the committee approve the agreement and that the Senate pass Senate Concurrent Resolution 35.

Thank you very much.

The CHAIRMAN: Next we will hear from Mr. Arthur Hartman, Assistant Secretary of State for European Affairs.

Mr. HARTMAN: Mr. Chairman, with your permission, you have my full statement. I would like to read just those portions which were not dealt with by my colleagues.

I am very pleased to have the opportunity to testify on behalf of the trade agreement that we have negotiated with Romania. This agreement is a major step forward in our relations with Romania. It places our bilateral trade on a basis beneficial to the economic interests of both countries. Further, it brings our commercial relations into accord with our very satisfactory political ties.

Improvement of United States-Romanian relations serves the foreign policy interests of both countries. The dominant theme of Romania's foreign policy is the desire to maintain a high degree of independence. More than any other Eastern European country, Romania has pursued friendly relations with countries of differing political and economic systems--with the United States, the People's Republic of China, the developing world, and with Israel as well as Arab countries.

Romania participates actively in a number of international organizations. It is the only Comecon country which is a member of the IMF and the World Bank. Romania has acceded to the GATT. It leads the Comecon countries in the proportion of its trade with the West.

We wish to encourage Romania's independent policy orientation through the expansion and improvement of bilateral relations. We believe this approach also furthers our policy of détente, as we seek to develop a pattern of interacting interests and political restraint in our relations with the Communist world.

Accordingly, in recent years there have been visits by the heads of state of the two countries, and various steps have been taken to develop cultural, scientific and economic ties.

Measures to improve economic relations include extension of credits and guarantees of the Export-Import Bank for our exports, and making guarantees of the Overseas Private Investment Corp. available to American private investment there.

These facilities were withdrawn as required under section 402 of the Trade Act of 1974, but they will be fully restored, as permitted under the President's Executive order of April 24, when congressional approval of the trade agreement is assured. In December, 1973, Presidents Nixon and Ceausescu issued a Joint Statement on Economic,

Industrial, and Technological Cooperation which set out a framework for bilateral economic relations.

It established the American-Romanian Economic Commission, which provides a Cabinet-level forum for annual review of our economic relations. At the same time the United States-Romanian Economic Council was established by the United States and Romanian Chambers of Commerce to facilitate increased contact between American and Romanian enterprises and economic organizations.

A very recent development is the negotiation of a final settlement between the Foreign Bondholders Protective Council and Romania on defaulted bonds. This agreement was signed on June 24.

Turning to the emigration aspect of this agreement, we are very mindful of the interests of the Congress as a whole in this important matter and know of the concern of individual Members of Congress in specific emigration cases.

Let me say that we welcome this interest and will continue to consult closely with you on how to deal with these cases and with the emigration problem in general. While the administration has reservations about linking trade with emigration by legislation, we recognize and accept the necessity to meet the requirements of the Trade Act.

From the beginning of our discussions in Bucharest we emphasized that we needed more than just agreement on a commercial document alone, and we also made plain that our concerns went beyond the few hundred Romanians wishing to move permanently to the United States.

Also, we drew upon the numerous strong expressions by Members of Congress to underscore with the Romanians the importance of this question.

These requirements obviously posed serious problems for the Romanians, especially following the refusal by the U.S.S.R. and other Eastern European countries to accept them as a basis for negotiations.

We discussed the matter in considerable detail and on numerous occasions, and we believe we and the Romanians understood each other entirely on the practical meaning and implementation of the language appearing in the President's waiver report and in other documents required by the act.

As far as that language itself is concerned, it dully satisfies, in our judgment, both the letter and the spirit of the act and will contribute to the achievement of the objectives, of section 402. At the same time it takes account of legitimate Romanian concerns.

We fully understand the wish of some Members for more details on our discussions of this subject with the Romanians. I would only emphasize their sensitivity and the consequences to both countries' interests if they should become subject to public debate. Meanwhile, I would urge the Congress to judge the Romanian emigration practices by future deeds in addition to the words of the President's report waiving section 402 of the Trade Act. It will be on this basis that the President himself will decide whether to seek further extension of the waiver next year.

I would be less than candid if I were to try to gloss over the relatively poor performance of the Romanians during the early months of this year.

I refer to emigration to both the United States and to Israel. We do not know what factors lay behind this disappointing situation but I

would urge the Congress to view it in context of several important considerations.

One is the relatively small scale of the emigration problem in Romania. There are only a few hundred cases of divided family members and dual nationals who have indicated a desire to come permanently to the United States.

Second, the Romanian Government has applied a liberal policy on Jewish emigration over recent years. Under this policy well over 300,000 Jews have been permitted to move to Israel and other countries.

Since this trade agreement was sent to the Congress we have seen encouraging signs that the Romanians are seeking earnestly to solve the family reunification problems that concern us. They have approved the passport applications of a substantial portion of the several hundred people I referred to earlier who want to join their families in the United States.

There has been a similar improvement in approvals of divided family members wishing to go to Israel. Although there are both personal and official arrangements to be made to translate these approvals into actual departures, we believe this will occur and that the Romanian Government will do its part to speed up the process.

We therefore recommend that the Congress approve this trade agreement, understanding that both the executive and the legislative branches will reexamine carefully the question of a further extension less than 12 months from now.

Both we and the Romanians have an important political as well as economic stake in the continued improvement of our bilateral relations. For Romania to continue its policy of independence in foreign affairs is clearly something we should encourage, and we see this trade agreement as fostering that objective.

Beyond that, if the Congress approves this agreement, we can confidently expect a sizable increase in U.S. exports to Romania. At the same time, we will make a significant stride toward the free movement of peoples which both the executive and the legislative branches of this Government greatly desire.

Rejection of this agreement, on the other hand, could forfeit us all these worthwhile objectives, to the detriment of both the United States and Romanian peoples.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much.

I would like to complete the presentation of all statements in chief by inviting Senator Jesse Helms to make his statement at this point.

Senator—just keep your seats, gentlemen—Senator Helms, you could pull up a seat or stand, whichever you prefer.

#### **STATEMENT OF HON. JESSE HELMS, A U.S. SENATOR FROM THE STATE OF NORTH CAROLINA**

Senator HELMS. Mr. Chairman, members of the committee, I know your time is limited. I have filed a statement which I think, in large measure, will suffice.

I would like to run down two or three points. The Romanian Trade Agreement, is the first one negotiated—



The CHAIRMAN. We will print your entire statement, in case you would like to abbreviate it.

Senator HELMS. Yes, sir, that is exactly what I am going to do.\*

As you know, the Romanian Trade Agreement is the first negotiated under the Trade Act of 1974—I was the author of section 409, promoting free emigration of very close relatives of persons residing in the United States and nonmarket countries seeking trade. Now the President waived section 409, automatically when he waived section 402, the Jackson-Vanik amendment. Section 409 was not intended to have a waiver procedure when I introduced it, but the waiver was added as a technical amendment without prior consultation or notification. I go into how this happened on the Senate floor in my prepared statement, Mr. Chairman.

Now, it is my judgment that we can get along without Romanian trade, if need be. I will call attention to the fact, as you already know, of the two antidumping cases pending on Romanian shoes.

In fact, the President offered no justification for the waiver. He merely cited a vague statement made by former President Nixon in 1973, a year before this act was passed. The Nixon statement did not even mention emigration, which is a prime concern of Congress. Now, in short, Mr. Chairman, the number of emigrants in the past few weeks is not necessarily an indication of the future. What is turned on so quickly can be turned off as quickly.

Quotas are a restriction—like religious or ethnic restrictions—unacceptable insofar as this Senator is concerned. What I am saying, I think, is that we need a concession on principle and not on numbers.

Now, the Jackson-Vanik amendment applies to all who wish to emigrate. But in practice the rulers in Communist countries select the emigrants through various pressures. The Helms amendment, however, has an objective criterion, which I have stated earlier, the requiring circumstance of close relatives of persons in the United States, making it self-enforceable, since relatives in the United States will keep us informed.

I will not dwell further on the statement. My recommendations are spelled out in the complete text, but I would hope that the committee could arrange to hear comprehensive testimony from the residents of the United States who are seeking Romanian relatives in terms of emigration. The initial list of such Romanian Americans is attached to the statement which I submitted to the committee.

I thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Helms.

I would like to ask each member to limit himself to 8 minutes. And I would like to ask would the staff keep time on us in the first round of questions? And thereafter we will see how it goes.

Senator Talmadge.

#### STATEMENT OF HON. FREDERICK B. DENT, RESUMED

Senator TALMADGE. I expect to be quite brief, Mr. Chairman.

Mr. Secretary, the potential adverse impact of this agreement on U.S. industry is increased by the fact that the imports from Romania will not only receive most-favored-nation treatment, but could also

\*See p. 125.

qualify for duty-free treatment under the so-called generalized system of tariff preferences.

When do you envision that the United States will extend duty free treatment to Romania as authorized under title V of the Trade Act?

Ambassador DENT. The considerations of those nations and products which would be eligible for GSP is underway and will be completed late this year.

Senator TALMADGE. If we approve this agreement and reduce tariffs on many Romanian imports, what are the obligations of Romania with respect to easing of import barriers for U.S. products?

As you know title IV of the Trade Act requires that the reduction in U.S. tariffs and nontariff barriers be satisfactorily reciprocated by the other party to the agreement.

Ambassador DENT. Well, first of all, in their accession to the GATT, the Romanians agreed to expand their imports from the West in direct proportion to the expansion of their overall imports, so that we have assurance that as their 5-year plan projects growth in imports, that there will be an expanding opportunity for U.S. exports to be sold. And furthermore, in this agreement, they not only pledged an appropriate degree of reciprocity in the beginning, but also agreed to accede to any nontariff barrier agreements which are applicable to the trade between the two nations making those benefits available to U.S. products, which are designed for export to Romania.

Senator TALMADGE. Now, a recent study prepared by the International Trade Commission indicates that many of the products which have the greatest potential for increased importation into the United States, as a result of the agreement, are products which are already import sensitive, such as certain chemicals, electrical products, footwear, glass products and so forth.

Do you feel that the administration will make full use of safeguards in the law that would avoid disruption of the U.S. market?

Ambassador DENT. Absolutely. The safeguard provisions were negotiated by the U.S. negotiators and we have every intention to carry them out.

In certain areas, as you know, the International Trade Commission recently held hearings as to whether injury was being suffered by the work shoe industry in this country. They found no injury and also indicated in their report that imports will be reduced by 65 percent in 1975 over '74.

I think this shows responsible action on the part of the Romanians in this particular instance.

Senator TALMADGE. Thank you, Mr. Ambassador. I have no further questions, Mr. Chairman.

The CHAIRMAN. Still going by the early bird rule. Senator Ribicoff appeared about the same time as Senator Talmadge. Senator Ribicoff?

Senator RIBICOFF. Thank you, Mr. Chairman.

Mr. Hartman, let's say this committee and Congress approves this agreement. Can we expect that the administration will come back with a favorable recommendation at the end of the waiver period only if the Romanians have demonstrated a steady performance during the waiver period?

Mr. HARTMAN. You are referring to the period at the end of the 18-month period?

Senator RIBICOFF. Yes, that is right.

Mr. HARTMAN. Yes, I think that the administration has understood the will of the Congress in applying this act. And we have made these feelings clear to the Romanian authorities. We believe that we are now seeing evidence that in fact some of these problems that have been of concern to us are being taken care of within the framework of this joint declaration of the two Presidents to deal with humanitarian problems.

Senator RIBICOFF. In other words, do we have the assurances of this administration that emigration will not decline, once MFN is granted only to increase in the month or two or immediately before the waiver period is up?

Mr. HARTMAN. You certainly have the assurance of this administration. And we believe that there is understanding on the part of the Romanian authorities.

We obviously cannot guarantee numbers. And our discussions reveal that there is a wide difference of opinion on exactly how many people, in fact, wish to emigrate.

Senator RIBICOFF. Well, that may be true, but are you assuring us that the individuals for whom the Romanians report, that passports have been approved, will actually be permitted to leave Romania in the next few weeks?

Mr. HARTMAN. Yes, in the case of those wishing to come to the United States, we actually have the names of the people who have been approved for emigration. And we have every assurance that those people will, in fact, be permitted to leave.

Senator RIBICOFF. In other words, the American Embassy, you only have jurisdiction over those coming to the United States?

Mr. HARTMAN. That is correct.

Senator RIBICOFF. The American Embassy is checking up to make sure that those who have exit visas to come to the United States actually come to the United States?

Mr. HARTMAN. That is correct. And we now have a list of some 642 names of people who have been given approvals. And at the same time, we have had good cooperation from the Romanian authorities in accepting lists from us of people whose relatives in the United States have expressed an interest in their being able to emigrate.

Senator RIBICOFF. I want to repeat again, because it is always assumed when we talk about emigration, we are just talking about Jews, but we are not.

Mr. HARTMAN. That is correct.

Senator RIBICOFF. We are deeply concerned with people of all races and creeds, and especially the Romanians wishing to come to the United States; Romanian Orthodox or Roman Catholics. And our concern is definitely for the reuniting of families in this category.

Mr. HARTMAN. That is correct.

Senator RIBICOFF. Now, I am looking at the figures. And I take these figures from the Romanians themselves. Whether they are accurate or not, I have no way of determining.

The 1975 figures show that 2,020 approvals to Israel, 950 for approvals to the United States. The June figures: Israel 432, the United States 518, Germany 462, and other countries 249, for a total of 1,661.

The figures for Jews only, that is all I received, they did not give me the figures for other countries, 237 actually departed for Israel, 303 who have received passports and booked flights out, 602 received passports but have no reservation.

I give you these figures because it is crucial to make the distinction between exit approval and actual exits. To me it is not enough just to give a person an exit approval and then the Romanians do not deliver the passports, so people cannot leave. So even if the June figures are up on exit approvals, they do not mean very much to me unless they are actually, the people actually are given permission to leave Romania.

Now how are you taking up on this?

Mr. HARTMAN. Well, our understandings from our conversations with Romanian authorities, our conversations with Jewish leaders in Romania, and our conversations also with the Israeli authorities, who have over the years conducted talks with the Romanians on this subject, is that when these approvals are issued, there have been passports issued and approvals to leave.

I think part of the problem of delay has to do with the fact that there are many personal things that have to be done by these people: houses sold, personal property disposed of, and therefore there is a lag between approvals and actual departures.

Also, I think that there was a case over the last year or so where people who indicated an intention to emigrate to Israel delayed their actual departure because of uncertainties in the Middle East.

But we are now, I think, beginning to see actual movement. And, your figures, although they are not exactly the same ones that I have, are the same order of magnitude. It is difficult to get exact figures, because we get them from different sources.

Senator RIBICOFF. You see, even if the Romanians maintained the total number of exits, it would still be only about half of last year's total of 3,500, which was a low figure.

But when you consider the past rate of emigration over the last decade—so it is important to me, irrespective of what we do now, if we are going to continue MFN, for the Romanians in the future that they be given to understand that there has to be a consistent flow. I think we will be deeply concerned if once MFN is granted, if Congress so grants it, that we find ourselves in a position that suddenly there is a nosedive on the number of people allowed to come out and then 2 months before the renewal comes up, they accelerate.

I think you should emphasize that very, very strongly.

Mr. HARTMAN. We certainly will. And I certainly hope, also, Senator, that the leaders of the Jewish community in this country will keep in contact with the leaders of the Jewish community in Romania so that there is an accurate flow of information to us.

Senator RIBICOFF. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Packwood.

Senator PACKWOOD. Mr. Hartman, on page 8 of your testimony, talking about these negotiations with Romania, you made the statement: "At the same time it takes account of legitimate Romanian concerns." and later on you say: "Of course, we cannot discuss too much of this publicly because they are sensitive."

What are these legitimate concerns? What is their reluctance to allow Jewish emigration, and why?

**Mr. HARTMAN.** The concerns I was referring to, Senator, are not their reluctance to allow Jewish emigration. I think that their record on that actually is very good considering that there have been fewer than 400,000 Jews in Romania and almost 300,000 have already emigrated. There is conflicting information about the total number of Romanians who in fact wish to emigrate. The concerns that I think are legitimate on their part are appearing to make an agreement with another country about a matter which they feel quite legitimately is something within their national prerogative, and the agreement that we have reached here is one which implies a degree of mutuality. It is based on a declaration that was made by the two Presidents in 1973, which called for the mutual respect and dealing for humanitarian issues. In our discussions with the Romanians it has been made quite clear, and they understand and have conveyed their understanding to us that they understand that to mean these emigration issues.

But, I think it is a different thing to accept in a public document and a specific document in writing a matter which affects their own internal laws and regulations.

**Senator PACKWOOD.** Do you mean to say that based upon their record, and it is obvious—I think you said it is obvious—that historically they have no limitation on Jewish emigration. That is their public policy; but it offends their national sovereignty and dignity to put that in writing in exchange for a trade agreement.

**Mr. HARTMAN.** Yes; I think that is in sum the statement.

The reason for the Presidential waiver is that there is no clear evidence that there is absolutely free emigration. But we believe that the evidence that we are seeing shows good will on their part and that in fact substantial numbers of those wishing to emigrate are now being allowed to emigrate.

**Senator PACKWOOD.** Would it be a fair statement to say it would be your recommendation to the administration that if in 18 months, when we are looking at renewal, and there are Jews who want to emigrate, who have been harassed or not allowed to emigrate, you would recommend against extension?

**Mr. HARTMAN.** I think if there is evidence that that is a consistent pattern, yes, the administration would recommend against it. We have no evidence of that today.

**Senator PACKWOOD.** And, strong evidence of a consistent pattern might be a substantial decline, as Senator Ribicoff said of Jewish emigration, right up to a month or 6 weeks before extension, and then a dramatic increase?

**Mr. HARTMAN.** Yes; but, I think we should watch for one thing carefully. There are fewer than 100,000 Jews, and I am only dealing with the Jewish emigration problem at the moment. There are fewer than 100,000, and in fact, there are some estimates that there may be as few as 60,000 Jews remaining in Romania. Many of them are older people. Many are intermarried, and therefore, I think we should be very careful in judging numbers, that we are not insisting that more people leave than perhaps want to leave.

That is why I think it is very important to have this communication between Jewish leaders and other religious leaders in this country who have an interest in the emigration problem, and the leaders in Ro-

mania, and that contact has been facilitated by the Romanian Government.

Senator PACKWOOD. I understand that. I think it would be relatively clear in 18 months, if we do confirm this agreement, relatively easy in terms of whether or not there are Jews who would like to leave who, for one reason or another, have not been able to leave.

Mr. HARTMAN. I think that is correct.

Senator PACKWOOD. I have no other questions, Mr. Chairman.

The CHAIRMAN Senator Hartke?

Senator HARTKE. Mr. Secretary, let me ask you, is there any substantial difference in the agreement which is being presented with regard to Romania from that which has been arranged with regard to the other two nonmarket countries, Yugoslavia and Poland?

Mr. TABOR. To the best of my knowledge this certainly, in the protections, in the case of any trade difficulties, is more favorable than those two prior agreements which were not written with the excellent provisions of the Trade Act in being at that time.

Senator HARTKE. More favorable to the United States?

Mr. TABOR. More favorable to the United States.

Senator HARTKE. Let me ask an unrelated question to Mr. Dent and to the Secretary. Tomorrow I am going to ask the committee to consider the question of the Canadian Automobile Agreement. Do you have a position on this agreement and can you briefly state that position or can you make your position available to the committee before we have the executive session tomorrow?

Ambassador DENT. I was not aware of the consideration of this agreement tomorrow. I will be glad to give you our position, Senator.

Senator HARTKE. You have not considered the Canadian Automobile Agreement whatsoever?

Ambassador DENT. Certainly, but I do not know what the issue that will be coming up tomorrow is specifically.

Senator HARTKE. Have you not been concerned with the great depression in the automobile industry here and the fact that the Canadians have been able to have nearly full employment while we have suffered extensive unemployment in our automobile industry? The effect of the Canadian Automobile Agreement—have you not even considered that?

Ambassador DENT. Of course we have considered it, what I am saying is I am not familiar with what specific issue will be coming up in the committee tomorrow.

Senator HARTKE. The specific issue is whether it should be repealed or should be sustained or whether it should be modified. That is an issue which I would have thought that you would have been concerned about. Do you mean to say you have given no consideration to the absolutely disastrous effects that that agreement has had upon the American automobile industry and now it has been one of the precipitating causes of this depression in the automobile business?

Ambassador DENT. I certainly have considered the situation of the automobile industry, and found it to be similar throughout the world. It is an industry that has been hit universally by the energy crisis. We are aware that we do have a surplus in automobile trade with Canada but we were not notified of a special issue coming up before

the committee tomorrow and we will be prepared to give you our opinion on it.

Senator HARTKE. I would hope you would have some of your people work this afternoon and give us your thoughts. This is one of the things that disturbs me about our trade negotiators. They do not become aware of anything until the Congress sticks them in the bottom with a great big needle. I would hope to goodness we would have some more alertness at least in the other fields of trade negotiations than we have seen demonstrated in the field of the Canadian Automobile Agreement.

Ambassador DENT. Senator, I would like to report to you that a week ago today I was in Japan discussing bilateral trade issues without any needle from the Congress and we pursue the interests of the United States, its workers, and its industry on a very diligent basis.

As you cover all of the bases, it is difficult sometimes to know what is going on and deal with it at that instant, unless you are notified. But we will be prepared whenever the committee has an issue before it to give you our views.

Senator HARTKE. We are going to be considering this tomorrow in the executive session. I would have preferred that you would have thought about it before now especially with the fact that in many of the places like Detroit for example, you have had 25-percent unemployment. In my home State we have as high as 35-percent unemployment in some communities as a result of the disastrous effects in the automobile industry and the imports have continued to do very well, not only from Canada, but from other countries such as Japan and Germany where the imports have not suffered the same depression.

What I would like to see is a little bit more alertness by the trade negotiators on behalf of the American people and the American workers and I think that is as important if not more important than the pending agreement at this moment. That is all I have, sir.

[The following was subsequently supplied for the record:]

JULY 9, 1975.

HON. VANCE HARTKE,  
U.S. Senate,  
Washington, D.C.

DEAR SENATOR HARTKE: This will respond to your request at the Finance Committee hearing on the Romanian Trade Agreement yesterday morning for our current views with respect to the U.S.-Canadian Automotive Agreement.

There is no question that the high level of unemployment within the domestic automotive industry causes grave concern to the Administration as well as to the Congress. I have noted on my recent trips to Western Europe, Canada and Japan that the automobile industry throughout the industrialized world has been hard hit by the energy crisis and subsequent worldwide recession. The U.S. has faced particular difficulties. Under such circumstances we might be inclined to blame the depressed state of our domestic industry on increased imports and arrangements such as the U.S.-Canadian Automotive Agreement. However, recent developments in the U.S. market clearly demonstrate that these apparently convenient scapegoats are, in fact, not the cause of our problems. The Automotive Agreement with Canada, to the contrary, has had quite the opposite effect on our domestic situation.

The volume of total automobile imports into the United States remained fairly steady from 1971 to 1974, ranging from 1.6-1.8 million units annually. Throughout this period the market share accounted for by imports ranged from 14.8% to 15.9%. Early this year, imports increased their market share to a high of 21.7% in March. This penetration dropped to 18.6% in May. The recent increased market share of imports resulted not from increased imports but from a precipitous decline in domestic production.

During the January-May period, automotive imports declined substantially, from an annual rate of 2.1 million during the comparable period in 1974 to 1.26 million on an annual basis through May of 1975. It appears that the level of automotive imports into the U.S. in 1975 will be only two-thirds the level of 1971.

Industry specialists in the Department of Commerce attribute the sudden rise in market share earlier this year to large sales of '74 model imports selling at 1974 prices, during a period in which they were competing with U.S. 1975 models at significantly higher prices, reflecting increased cost burdens. These stocks of imports have now been nearly depleted. Imported 1975 models selling at prices 10-12% higher than last year's models will now have to compete with domestically produced 1975 models. Consequently, Commerce Department analysts predict that the trend which began in May will continue and imports will drop back to 15-17% of the U.S. market by the end of the year. We understand that June automobile production was the highest this year. We see this as a hopeful sign that the industry is recovering and that imports are returning to their traditional share of the total market.

To attribute the current economic condition of the domestic industry to the U.S.-Canadian Automotive Agreement would be especially unfounded. Last year the U.S. registered a surplus of more than \$1 billion in our automotive trade with Canada under the Agreement. During 1975 we expect this surplus to increase. Through March of this year, our surplus was \$357 million. Furthermore, the volume of imports from Canada is down, from 388,000 units in January-May 1974 to 314,000 units during the comparable period this year. Our improved position has resulted from a further decline in the Canadian surplus of assembled cars and a widening U.S. surplus in the automotive parts trade. Our trade balance has benefitted from the increase in total retail sales in Canada (up 5% in the first quarter of 1975 over the first quarter of 1974), as total sales in the U.S. have declined (down 11% in the first quarter of 1975 from the first quarter of 1974).

The UAW has filed a petition for adjustment assistance on behalf of 39,000 Chrysler workers. The union believes that a primary cause of their unemployment is the shift to Canada of plants producing models which are now selling well, while Darts and Valiants produced here have not enjoyed as buoyant a market. On July 7 however, the vice president of UAW, Douglas Fraser, stressed in his testimony at the Department of Labor that the UAW continues to support the Automotive Agreement. He noted that the request by the UAW for adjustment assistance in no way should be interpreted as an abandonment by the Union of its long-standing support for the Agreement. The union, as well as the industry, takes a position which reflects the fact that the strong Canadian market for autos is one of the few bright spots for the North American industry at this time. Termination of the Agreement would eliminate a receptive outlet for sales without providing any benefits to either the industry, U.S. labor, or the U.S. economy as a whole.

If, as your trade negotiators, representing the interests of the U.S. and the intent of the Congress, we are to stay alert to current conditions we must recognize certain economic facts. As a result of the Agreement's provisions to eliminate import duties on the movement of motor vehicles and original equipment parts between our two countries, the U.S. and Canadian automotive industries have rationalized production and distribution to a very great extent. The statistics on automotive trade show the significant effects of this integration. In 1964, the year the Agreement was negotiated, trade between the United States and Canada in automotive products totaled about \$700 million. By 1974, bilateral trade totaled more than \$12 billion.

The integrated automotive industry is no longer made up of separate U.S. and Canadian industries; but rather reflects a truly North American industry. Automotive production and sales in both countries is more efficient and better able to withstand the forces of strong European and Japanese import competition because of the manufacturing and market rationalization the Agreement was designed to promote.

Termination of the Automotive Agreement at this point would have a seriously depressive effect on an already weakened segment of the U.S. economy. An industry whose long-range plans have assumed an integrated North American market for automotive products, whose productive facilities are already spread out in rationalized fashion on both sides of the U.S.-Canadian border, and which is currently moving well over \$11 billion in goods across the border duty-free,



cannot be expected to adjust its production and sales to two separate markets again, at the drop of a hat.

Abrogation of the Agreement now would cause severe dislocations in the U.S. automotive industry, and would not benefit the United States in any compensatory way.

Such a disruptive unilateral action would not create U.S. jobs. In contrast to U.S. auto sales, the Canadian automotive market is enjoying a relatively better sales year. Termination of the Agreement would result in reimposition of the Canadian most-favored-nation auto import duty of 15%. Sales of U.S.-made automobiles and parts in Canada could not help but be adversely affected, and this would hurt rather than help U.S. auto workers.

Abrogation of the Agreement would not help our trade balance in automotive products with Canada. After an unexpectedly disappointing performance in Canadian auto sales and consequent decline in the U.S. trade balance in the 1960's, the bilateral trade balance began to stabilize by the early 1970's. For the past three years the balance has moved strongly in favor of the United States. The U.S. surplus is expected to continue in the future, although the dramatic degree of this favorable trend will moderate as the U.S. market recovers from its current slump.

Projections by the Motor Vehicle Manufacturer's Association clearly indicate the potential benefits of maintaining the Agreement. In 1970, 281 Canadians out of 1,000 owned automobiles. The comparable figure for the U.S. was 433. By 1980, the Canadian figure is expected to rise to 457 while the U.S. consumption will rise less rapidly to 478. U.S. exporters facing a 15% Canadian import duty would have a highly difficult time tapping this rapidly growing Canadian market.

The current depressed state of the U.S. automotive industry has been caused by worldwide economic conditions. The U.S. market has been particularly hard hit as a result of overall inflationary pressures, tight household budgets, high gasoline prices, and the costs of new federally required safety and environmental protective devices. These pressures have been accentuated by the delay which manufacturers have encountered in increasing the proportion of competitively price fuel-efficient automobiles in their overall product mix. As the proportion of these types of cars increases and these cars are made readily available to the public it is likely that the improved sales performance registered in June of this year will continue, to the benefit of the industry, its workers, and U.S. consumers.

Now is not the time, when the benefits of the U.S.-Canadian Automotive Agreement are beginning to accrue increasingly to our benefit, to cut off our nose to spite our face.

Sincerely,

FREDERICK B. DENT,  
*Special Representative.*

The CHAIRMAN. Senator Gravel?

Senator GRAVEL. Thank you, Mr. Chairman.

I would like to ask if anyone of you gentlemen were aware of a letter that was sent to various members of the committee by a company called General Refractories Co., located, I believe, in Pennsylvania? This concerned an Oskar Mauschitz who was an individual working for a subsidiary of this company. He was arrested last October, detained, and interrogated. The subsidiary he had organized apparently had been monitored or bugged for a number of years.

Is anybody aware of this case?

Mr. HARTMAN. I am told, Senator, that we have replied to that letter, and I will be happy to submit a copy. I do not have a copy of the letter with me, but I will submit it for the record.

Senator GRAVEL. Very good. I would be happy to know what your views are. I was recently visited by the Ambassador. I made a copy of this available to him, and I am hopeful that you will get information back to me on that.

Mr. HARTMAN. Fine.

[The material referred to follows:]

DEPARTMENT OF STATE.  
Washington, D.C., July 14, 1975.

Hon. MIKE GRAVEL,  
U.S. Senate, Washington, D.C.

DEAR SENATOR GRAVEL: In response to your inquiry during my testimony on July 8 before the Finance Committee, I am forwarding the information below concerning the Oskar Mauschitz incident.

Mr. Mauschitz is an employee of an Austrian firm OEMAG, a wholly-owned subsidiary of an American company, General Refractories Company of Bala Cynwyd, Pennsylvania. OEMAG sells materials for use in steel blast furnaces and has done good business in Romania for some years. Mr. Mauschitz has been the firm's principal sales and service representative for Eastern Europe, and in that capacity has visited Romania frequently. In October 1974 Mr. Mauschitz again returned to Romania and was arrested on charges of "economic espionage." He was held in prison for about fifteen days, then released but required to remain in a Bucharest hotel while the investigation continued. He was not permitted to leave Romania until mid-December when a fine of some \$250,000 was assessed and paid by OEMAG.

We were promptly advised of the case by General Refractories Company representatives and made urgent inquiries in Bucharest. We exchanged information with the Austrian Embassy there in order to determine the facts as best we could, and made representations on Mr. Mauschitz' case at high levels in the Romanian Government. It was after those representations that he was allowed to leave the country. However, we were not satisfied with the Romanian handling of this case, particularly because the charges were not made known to us even in summary form for many months.

Recently, the Romanians have given us a somewhat more detailed version of the case against Mr. Mauschitz. We have been told that a principal charge was the bribery of a Romanian business associate of Mr. Mauschitz. This associate reportedly admitted and acknowledged that he passed information to Mr. Mauschitz which gave OEMAG an improper competitive advantage over domestic producers of similar materials; and he allegedly said he had exercised influence to give business to OEMAG which ought to have gone to domestic competitors, with consequent damage to the Romanian economy. Mr. Mauschitz strongly denies having engaged in bribery, although he has, I believe, acknowledged that he made small gifts to the Romanian associate in question.

We still do not know all the facts in this case. However, we have pointed out to the Romanians the adverse effect such incidents could have on the atmosphere in which business is conducted between our two countries. We believe the Romanians are well aware of the need to provide a secure climate for foreign businessmen. We also believe the new Trade Agreement with Romania will help provide that climate.

If I can be of any further assistance, please do not hesitate to let me know.

Sincerely,

ARTHUR A. HARTMAN,  
*Assistant Secretary for European Affairs.*

Senator GRAVEL. I would just like to ask one additional question. If there are other minorities suffering discrimination, would the title IV similarly come into effect, requiring that some of these minorities be permitted to exit on a quota basis? This would apply to other minorities in addition to Jews would it not?

Mr. HARTMAN. Oh, yes; and in fact, many of the divided families, the people who are asking to come to the United States, are non-Jews, as Senator Ribicoff pointed out. They are members of the Orthodox faith, or Roman Catholics.

Senator GRAVEL. Very good.

Mr. HARTMAN. If I could, Senator, I would like to comment on page 8 of Senator Helms' statement, he had a list of U.S. citizens and residents. We have checked that list with some main lists that we have

here, and all but two on that list on page 8 have received permission to emigrate to the United States.

The CHAIRMAN: Would you specify the two that have not?

Mr. HARTMAN: The two that we do not have information about are the third name on the list.

The CHAIRMAN: George Gherghie.

Mr. HARTMAN: Yes, and Nicolae Chis, which is the fourth from the bottom. But we will check those with other lists that we have at the Department.

The CHAIRMAN: So that then, do we understand, then, that with regard to all except these two, these people have received permission to leave that country?

Mr. HARTMAN: That is correct.

Senator BLACK: Do they have their passports, or do you know?

Mr. HARTMAN: We have received the names, and they have the permission, and it is our understanding that the passports will follow. When we have the name, it is fairly sure.

The CHAIRMAN: That is very fine, and I hope that permission can be obtained for the other two groups.

Mr. HARTMAN: We will check on the other two names.

Senator CHAVEL: I have no further questions. Thank you, Mr. Chairman.

The CHAIRMAN: Senator BYRD?

Senator HARRY F. BYRD, JR.: Thank you, Mr. Chairman.

First, I would like to associate myself with the remarks that Senator Ribicoff made in his discussion with Secretary Hartman. Mr. Hartman, what is the status of the controversy over the gold which is being held in the United States?

Mr. HARTMAN: I do not believe there is gold held, as far as Romania is concerned. There is gold held, as far as Czechoslovakia is concerned.

Senator HARRY F. BYRD, JR.: All right. I was thinking it was Romania. Thank you.

Assuming most-favored-nation treatment is granted to Romania, what do you anticipate will be the amount of borrowing by Romania from the Export-Import Bank?

Mr. HARTMAN: I do not think we have a current estimate. The outstanding obligations, as far as the loans that were made prior to the cutoff date, is approximately \$60 million. I do not think we have no way, really, of estimating, as far as the future is concerned. I am sure that the Export-Import Bank would apply its normal standards and its charter to assist in the exportation of American goods.

Senator HARRY F. BYRD, JR.: What rate is being charged? Do you happen to know?

Mr. HARTMAN: It is the standard Eximbank rates.

Senator HARRY F. BYRD, JR.: What is that?

Mr. TAYLOR: It is about 7 to 8½ percent now, but of course that is only a proportion of the total loan, Senator. That is the Exim proportion. Then another 60 percent of that loan has to be procured from normal commercial channels, which runs 8, 9, 9½, 10 percent; so that the blended rate, which is what we have to deal with as we compete with other countries, is probably up at about 8½ or 9 percent. And our competition, the Japanese, the Germans, and the others, are not only giving lower rates than that blended rate—well, that is the chief thing.

Senator HARRY F. BYRD, Jr. Are they giving lower rates than the Exim rates?

Mr. Tabor. I believe they are. Our advantage is not in the rate of interest. They are lower in the rate of interest that they charge than the Eximbank is. We have an advantage at this point in being able to extend a longer term over which the loan will be repaid than they do.

Ambassador DEXT. Senator, the significant difference is that traditionally, the Eximbank had financed approximately 40 percent; 10-percent downpayment, and the 40-percent private sector loan. They have now reduced that to about 30-percent financing from Exim, in order to take care of their demands; whereas the foreign export instruments of a comparable nature finance 85 to 90 percent, so that they get the benefit of the lower Government-sponsored interest rates for a much greater proportion of the loan than do the Exim clients.

Senator HARRY F. BYRD, Jr. Thank you, sir.

Mr. Hartman, to leave Romania for a moment and go to that Czechoslovakian gold, what is the status of that now?

Mr. HARRMAN. I would like to submit a detailed answer in writing. I remember from my previous testimony certain facts, but I would like to give you a full story on where that stands, and where our current relationship stands. You know, there is a special amendment that deals with Czechoslovakia.

Senator HARRY F. BYRD, Jr. That is a part of the trade legislation?

Mr. HARRMAN. That is correct.

Senator HARRY F. BYRD, Jr. Thank you. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Brock?

Senator Brock. Mr. Dent, would you repeat for me—I think you were commenting earlier on the shoe import question. Where are we on that?

Ambassador DEXT. Where we are on that is that the International Trade Commission found that no injury was being inflicted, but they have also received a letter indicating that imports in 1975 will be at a substantially reduced level over 1974. These imports, as you know, were confined to the workshoe category, and we do anticipate a reduction this year which is probably showing up in trade figures already.

Senator Brock. I have not seen the trade figures for this first 6 months, but I find it hard to believe that a finding was made to no damage. Last year, there were an awful lot of people who were unemployed in that industry, that we found that difficult to agree with.

Ambassador DEXT. That is correct, Senator, except their imports were in a specialized area that did not involve broad coverage.

Senator Brock. I understand. But in this particular context, that is correct overall, we have had a pretty tough problem in that area, as I am sure you know, for some time.

Let me shift over to Secretary Hartman for a second. Perhaps he said that earlier, and I missed it. I wonder if you would tell me what action will be available to us if, in this 18-month period, there was for any reason a basic policy change and a shift of immigration privileges.

Mr. HARRMAN. First, Senator, let me point out that much of the 18 months have run already. If the Congress acts on the trade agreement, we will only have the balance of the period between now and June of 1976 during which MFN may be extended. I would say that we do not foresee any significant change, and we will have at the end of that

period an opportunity to review whether or not MFN should be renewed during the course of the period. We would undoubtedly take up such a matter if there was clear evidence that some change in policy had taken place. We would take that matter up with the Government.

Senator Brock. I will be honest with you. I am sympathetic to Senator Helms' feelings that we ought to operate on principle rather than numbers. In a very practical sense, I find that difficult to do. I think we have achieved a great deal so far. I am reluctant to jeopardize what we have accomplished or what we may accomplish in the coming months by any further statutory language which would have a counter-productive effect.

Mr. HARTMAN. I would like to join you in that, Senator, because I think, from a purely humanitarian point of view, the important thing is, are families being reunited? Are divided families being reunited?

Senator Brock. I guess they are.

Mr. HARTMAN. Yes, it is happening, and I think rather than getting into a discussion on principle, it is better to look at what is actually happening.

Senator Brock. Well, for the families involved, it is the practical effect, whether there is any principle involved or not.

Mr. HARTMAN. Right.

Senator Brock. I think you have done a commendable job in this area, given the constraints of international relations. I appreciate the effort you have made. I wish we were doing as well as some other countries. Thank you.

The CHAIRMAN. I have been looking over the figures on the trade that has been taking place which are contained in Mr. Tabor's statement. I think this is the kind of trade that we very much would like to encourage. It would appear that most of this trade is a movement of food and machinery and transport equipment, and most of our imports from Romania tend to be minerals and lubricating oils. And so, that is the type of trade that I think that we would like to encourage, especially in view of the fact that those people did not embargo us when others did. So this agreement seems to me something that would benefit the United States.

I do want to ask Mr. Hartman to explain, if you can, why the administration is requesting Congress to amend title IV of the Trade Act at the very time that it has been urging Congress to approve this Romania agreement, which was negotiated under the existing language. Does that not put Romania in an awkward position with its Communist brethren, who might not want to see this agreement set a precedent?

Mr. HARTMAN. That may very well be the case, but we had been able to, through the framework that had been established in the declaration of the two Presidents, to negotiate this agreement. We were unable to find a satisfactory solution to our negotiations with certain other countries, and I think the administration feels that we will want to make some suggestions in that area in order to accomplish. I think, an objective that is common both to the Congress and to the executive branch. But we believe, and both parties to this agreement would like it to go ahead.

The CHAIRMAN. I have just been notified that the floor has called to say that, because of the Wyman-Durkin contest, objection has been

made to the further meeting of this committee. So I now officially adjourn this meeting. If anybody wants to ask a question, I will be willing to let him ask it, and try to see that he will agree to share the cost of the secretarial reporting service.

Any further questions?

Senator PACKWOOD. I have no further questions.

The CHAIRMAN. Thank you very much, Mr. Secretary, gentlemen. I think you have given a very fine and forthright presentation before our committee.

[The prepared statements of Senator Helms and Messrs. Tabor and Hartman follow:]

#### STATEMENT OF SENATOR JESSE HELMS

Senator HELMS. Mr. Chairman, as this distinguished committee is well aware, the proposed U.S.-Romanian Trade Agreement was negotiated pursuant to authority granted to the President in the Trade Act of 1974. I am appearing here today as the principal author of section 409 of that statute, the section which pertains to the freedom to emigrate from nonmarket countries in order to join very close relatives in the U.S.

I am not, however, the author of subsection (d) of section 409, which was added as a so-called technical amendment to bring section 409 under the same waiver authority as section 402, popularly known as the Jackson-Vanik amendment. This language was added by voice vote many hours after the debate on section 409 had been completed. There was no debate with regard to bringing section 409 under the waiver. Senatorial courtesy lapsed even to the extent that I was not informed of the proposed action, nor was it effected at a time when I was on the Senate floor. The effect of this technical change was to leave my amendment as a moral exhortation, a pious admonition whose practical impact could be crippled whenever the President chose to ignore it. I refer my distinguished colleagues to my statement on the Senate floor at the time the conference report on the Trade Act was adopted.

Now, as you also know, the President, in sending down this agreement has waived section 402, and consequently, also section 409.

Thus, in the very first test of the moral authority with which Congress has invested the emigration standards of the Trade Act, the President has flunked.

I stress moral authority because we are dealing with a moral question. Even if a waiver authority has not been introduced against my amendment, no language could be devised that would force any administrator of this act to make a proper moral judgment. Moral judgments come from within, and cannot be elicited by laws where there is no will to do what is right.

Now there are some who will say that this is a trade agreement and that we cannot reform the internal affairs of other nations. My answer to that is that we can try. There is nothing that the Romanians are selling that we cannot do without. Moreover the activities of Romania in dumping leather footwear below cost in the U.S. have already affected the jobs of American workers. So that even though we are now selling about twice as much to Romania as she buys, the net social effect on our economy is dubious. The plain fact is that Romania is desperate to get this agreement, and we ought to hold Romania's feet to the fire to get concessions on human rights.

But did we do so? No. The plain and unvarnished fact is that we did not. When President Ford proclaimed the waiver authority for section 402 (and by the same virtue section 409) he offered virtually no justification for his action. The statute requires a detailed report, and I quote, "Such report with respect to such country shall include information as to the nature and implementation of emigration laws and policies and restrictions or discrimination applied to or against persons wishing to emigrate." But President Ford did not. His report to Congress of April 24, 1975 refers only to a declaration signed by his predecessor, President Nixon, in 1973, assuring that both nations "will contribute to the solution of humanitarian problems on the basis of mutual confidence and good will."

I submit that this statement is far too vague—it does not even refer to emigration—to fulfill the intent of the Trade Act. Nor need I point out that

the statement *preceded* the passage of the Trade Act by well over a year, and could hardly be construed as an agreement reached pursuant to section 402 or 409.

Indeed, it appears that the President sent down the draft agreement and a proclamation of the waiver even before any serious discussion of the emigration situation had taken place. It was only when it appeared that there was strong opposition to the trade agreement in the Senate that those of us who had taken a special interest in the emigration problem began to see some signs of movement by the Romanians. The President of Romania himself made an unscheduled visit to the United States to plead for the agreement. I understand that there were certain unwritten agreements made with respect to emigration, but that these agreements did not fulfill the spirit of the Trade Act.

It is well known that the Administration deferred its testimony from last month until this month, so that it would have a better record to report—at least I hope that it is a better record. But the very fact of his deferral indicates the lack of attention given to this point in the negotiations. It also indicates why Congress should take a long, long look before it agrees to any hasty bargain made after the fact by the Administration in order to paper over the facts of repression in Romania.

Now we are told that the Romanian government has promised to step up the number of permitted emigrants, and has actually done so for the past few weeks. But numbers, promised or actually delivered do not prove anything. Suppose Romania lets 100 go, or 500, or 1,000. Does that prove anything about human rights? There will still be those who want to go, but are prevented by the ceiling. The question is whether or not voluntary action is permitted to the individual who wants to emigrate. We are trying to establish a principle, but that is exactly what Romania does not want to establish. If any quota is established or promised; if any ethnic or religious restrictions are imposed; if any harassments, monetary penalties, or punitive actions are taken against those who wish to leave, then Romania is not acting in the spirit of the Trade Act and does not deserve trade concessions.

Now I want to take a moment to explain the difference between Section 402, the Jackson Amendment, and Section 409, my amendment. The Jackson Amendment applies to all those who wish to emigrate. That means it applies to all, no matter what their destination. As a practical matter, it also means that the pool of potential emigres is determined by the nonmarket country involved. It is very difficult to check whether the principle of voluntarism is really applied, or whether the government, in a state which controls all major life decisions of its citizens, in effect decides who can go and who cannot.

My amendment differs in that there is an objective criterion for selecting the pool of potential emigres—the fact of whether or not they have a very close relative living in the United States. In one sense, this makes it more poignant to Americans; but in another sense, it provides a self-enforcing mechanism vis-a-vis relations with the United States. If a relative can get word to his relatives in the United States, the process can be set in motion for this nation to apply the necessary pressures to allow the person involved to emigrate. In effect, this takes away one of the controls which Communist governments have over their people. Its implementation would be a powerful step forward towards freedom.

But its implementation really depends upon the moral force we apply. We cannot side-step the issue every time commercial interests see a chance to make a few dollars at the expense of freedom.

Moreover we must not forget that the Romanian trade agreement does not stand alone. It stands in the whole context of East-West relations. We know how the Soviets backed down from the United States-U.S.S.R. Trade Agreement. I am sorry that the Soviets could not agree to widen the options for human freedom in that country. But now the Romanian agreement is a test case. If the Senate agrees to the Romanian trade pact too hastily, if the Senate does not demonstrate that it retains its strong conviction for enlarging human rights in non-market economy countries, then the Soviets will be back with their trade proposals to see if they can get them by without relinquishing a point in human rights. The Romanian trade agreement is a stand-in for a new Soviet trade agreement and we should consider it as such.

To sum up then, I say that numbers are no substitute for principles. Numbers can be turned off as easily as they were turned on. But if we get a concession on principles, then we will have changed the lives of millions. For we must put the emigration problem in perspective. Why do people want to emigrate from

Communist countries? The answer is, because they are oppressed. Their property rights are destroyed, their religious freedoms are taken away, their cultural heritage is crushed.

We have seen all of this in Romania. This Committee has testimony about the repression of communicants of the Romanian Orthodox, the Baptists, the bible fundamentalists, the Catholics, and the Protestant Reformed Church, among others. The world knows about the cynical anti-semitism of the Romanian government in its practice of "selling Jews," that is, holding members of the Jewish faith for ransom from relatives outside who are trying to help them emigrate. We also know about the problems of the Hungarian minority in Transylvania, and the difficulties they face in trying to retain their culture. It is no wonder, then that the Romanian government fears the effects of free emigration. Who would stay?

I therefore make the following recommendations. Since we cannot trust any pattern of practice even if it suggests improvement we must have definite assurances before the Senate agrees to this pact. These assurances must be in writing. If the Romanian government will not agree in writing to give free emigration to even one small group—the very close relatives of persons residing in the United States—then I suggest that the distinguished members of this Committee might well wish to hold the Romanian Trade Agreement in Committee until such time as such written assurances are included in the agreement.

Alternatively the Committee should seek a letter from the President in which he gives his word that he will use his authority to suspend the waiver the moment that one very close relative—one brother one sister one father one mother—is prevented by Romanian authorities from joining their family here in the United States. The situation could be monitored by an informal committee here in the Senate in order to bring cases to the President's attention.

For starters we could begin with the cases of the sixteen U.S. citizens and residents who were engaged in a hunger strike at the United Nations and here at the Capitol in May and June. Allow me to submit their names and the names of their relatives for the record:

#### U.S. CITIZENS AND RESIDENTS AND RELATIVES IN ROMANIA

Florin Carmocanu—wife, and child, 2; Zaharia Crainicluce—wife, and two children, 7, 17; George Gherghie—wife, and son, 14; Ivan Goga—wife, and daughter, 21; Alexandru Nenu—wife, and children, 10, 20; Vasile Dumitrascu—wife; Teodorescu Dinu—wife, and child, 5; Corneliu Pandele—wife; Ion Pindaru—wife; George Sotirca—wife, and daughter, 4; Dumitru Velea—wife, and daughter, 7; Ion Olah—wife, and son, 5; Nicolae Chris—wife, and daughter, 2; M. S. Stefanescu—wife, and son, 6; Al. Mihalovici—wife, and two sons, 5, 13; and D. Apostoliu.

I also submit an additional list which I append to my statement. I suggest that the Committee may want to call these individuals as additional witnesses. Would such action interfere with the internal affairs of other countries? In the larger sense, no. We are merely setting up conditions for trade. Just as we demand that our businessmen be treated fairly when they are in Romania, and that their contracts will be honored, so we demand that the close relatives of Americans in Romania have the basic right to leave if they are persecuted. If the Romanians consider this interference, they need not participate in our trade.

But in the larger sense, it is interference of the highest and noblest kind. As Aleksandr Solzhenitsyn said in Washington here last week:

"The Communist leaders say, 'Don't interfere in our internal affairs. Let us strangle our citizens in peace and quiet.' But I tell you: interfere more and more. Interfere as much as you can. We beg you to come and interfere."

#### ROMANIANS--A LIST OF THE DIVIDED FAMILIES WHO ASK FOR A REUNIFICATION

Part who are in United States	Relatives	Part who are in Romania and ask to come here
1. Anton and Elisabeta Florea, 4140 North Damen, Chicago, Ill.	Daughter.....	Miorra and Mircea Ghitea and 3 children, Calen Grivitei No. 174, Bloc S. Et 10, Apt. 41, Bucuresti, Sector 1
2. Virginia Calinescu, 1957 West Roscoe St., Chicago, Ill.	Mother.....	Aurica Flonta and her husband Aurel and 3 children, Strada Proletului No. 1, Bucuresti, Sector 2.
3. Flores and Maria Ionescu, 6903 North Wolcott Ave., Chicago, Ill.	Daughters.....	Lidia Micu and family, Saravale No. 529, Jud. Timis-Torontal; Ana Marinescu and family, Sinicolau Mare, Calea lui Traian No. 6, Jud. Timis-Torontal; Elena Romanuic and family, Saravale No. 708, Jud. Timis-Torontal.



## ROMANIANS—A LIST OF THE DIVIDED FAMILIES WHO ASK FOR A REUNIFICATION—Continued

Part who are in United States	Relatives	Part who are in Romania and ask to come here
4. Sechesan Flore, 1414 North Lockwood Ave., Chicago, Ill.	His wife and children.....	Sechesan Doina, wife and children: Adrian and Mircea Strada Castor No. 1, Arad, Jud. Arad.
5. Tiprigan Severin, 1414 North Lockwood Ave., Chicago, Ill.	His parents.....	Toader and Frasinia Tiprigan, Str. Alex. Vlahuta No. 6, Suceava Nor, Jud. Suceava.
6. Tcacenco Emilia, 6930 North Greenview, No. 501, Chicago, Ill.	Her son.....	Oros Valeriu-Emanuel, Str. Ostrowscki No. 4, Timisoara, Jud. Timis.
7. Tasedan Ioan and Maria, 1241 North Lockwood Ave., Chicago, Ill.	Their son.....	Viorel Tasedan and family: wife and 2 children, Str. Aron Pumnul No. 8, Arad, Jud. Arad.
8. Paul Dinu, 1451 North Massasoit, Chicago, Ill.	His sister.....	Iustina Gheorghe and husband, Bdul Republicii 152, Bucuresti-Romania.
9. Ooravian Miclea, 4451 West Cortez St., Chicago, Ill.	His children.....	Cornel Miclea, Rodica Miclea, Piata V. Ronta No. 15, Bloc G. Sc. B, Apt. 14, Arad, Jud. Arad.
10. Ardelean Constantin, 1633 North Humboldt Blvd., Chicago, Ill.	His daughter.....	Elena Tigu and her husband and 2 children, Str. Ovidiu Balesa No. 17, Timisoara (Mehala) Jud. Timis.
11. Gheorghe Tigu, 2726 North Pine Grove, Chicago, Ill.	His wife and 5 children.....	Ana Tigu and 5 children, Str. Scoalei No. 6.0, Arad, Jud. Arad.
12. Avram Strizu, 1300 North Laramie Ave., Chicago Ill.	His wife and a daughter.....	Maria Strizu, Bdul Stefan Plavat 14, Bloc T-13, Et. 4, Apt. 17, Timisoara, Jud. Timis.
13. George Bora, 2726 North Pine Grove, Chicago, Ill.	His brothers.....	Bora Vasile and his family, Str. Calugareni Bl. V. Nr. 13, Sc. B. Et. a, Apt. 8, Oradea, Jud. Bihor; and Bora Aurel, Benjamin Petre, Str. Iacobinilor No. 24, Oradea, Jud. Bihor.
14. Rodica Pup, 1957 West Roscoe St., Chicago, Ill.	Her husband and 2 children.....	Cornel Pup, and children, Calea Calarasi No. 241, Bucuresti, Sector 4.
15. Cornelia V. Calinescu, 445 Mitchell Ave., Elmhurst, Ill.	Her parents.....	Ioan and Aurelia Cucuorean, Alcea Rozelor 8, Sc. B, Et. 1, Apt. 6, Iasi, Jud. Iasi.
16. Ion Cristofaru, 1451 North Massasoit Chicago, Ill.	Her fiance.....	Ion Boca, Strada 13 Decembrie No. 31, Bloc 5, etaj 1, Apt. 3, Bucuresti, Sector 7.
17. Mircea Halmagion, 17246 Brush, Detroit Mich.	His wife.....	Maria Halmagion, Str. Viilor Nr. 91, Orsova Jud. Mehedinți, Romania; and 3 children: Maria Nicoleta, Mircea Emanuel, Marius Adrian.

## STATEMENT OF JOHN K. TABOR, UNDER SECRETARY OF COMMERCE

## INTRODUCTION

Mr. Chairman:

Thank you for inviting me to appear before this Committee and to speak on behalf of the Agreement on Trade Relations between the United States and the Socialist Republic of Romania.

Negotiations on this agreement began in January of this year, but its history can be traced back many years. In December 1973, the President of Romania visited the United States and, together with the American President, issued a "Joint Statement on Economic, Industrial and Technological Cooperation". The statement reaffirmed the Administration's commitment of 1969 to move toward a normalization of trade relations by seeking authority to provide non-discriminatory tariff treatment for Romanian goods entering the United States.

Now is the time to give substance to our earlier statement. Now is the time for the United States to take another step toward the goal of normal trade relations with Romania by removing our discriminatory tariffs against Romanian exports.

## STATUS OF TRADE RELATIONS

Recent years have witnessed a marked improvement in our trade relations with Romania, as shown by the significant increase in U.S.-Romanian trade. In 1970, U.S. two-way trade with Romania was a modest \$80.0 million. In 1974 this trade reached a level of \$407.0 million. U.S. trade with Romania, moreover, has been running better than 2 to 1 in favor of U.S. exports during the 1970-1974 period.

Two-way trade for the first five months of 1975 totaled \$130.5 million, down \$51.5 million from the same period last year. Part of the reason for this decline may well be the uncertainty over the outcome of the trade agreement. We anticipate that trade will return to its former growth pattern upon favorable Congressional action on the trade agreement.

The fivefold increase in our trade with Romania between 1970 and 1974 was made possible through efforts on the part of both countries to create a climate favorable to a greater exchange of goods and services. On the government-to-government level the American-Romanian Economic Commission, which was created during the Romanian President's 1973 visit, provides a forum for an annual review of bilateral trade relations and for the resolution of problems that may arise in our trade. The Commission, which will be meeting later this year in Washington, is co-chaired by the Secretary of Commerce and the Romanian Minister of Foreign Trade.

Within the private sector, the U.S.-Romanian Economic Council was also created in December 1973 by the Chamber of Commerce of the United States and the Romanian Chamber of Commerce and Industry. A major goal of the Council is the facilitation of increased contact between American companies and their Romanian counterparts. The Economic Council concluded its second annual meeting in Washington at the end of May. Secretary Morton and Chairman Casey addressed this session, and, in addition, the Vice President visited the Council. This degree of the Administration's association with the Council is illustrative both of the Administration's interest in normalizing trade relations with Romania and of the valuable services performed by the Economic Council.

Romania itself has taken steps to liberalize its foreign trading system in a manner that has brought benefits to American companies. It has issued regulations permitting U.S. and other foreign firms to open their own offices in Romania. In addition, Romania has also expanded the possibilities for cooperative arrangements between its trading and producing organizations and foreign firms. A number of American firms have been active in such arrangements.

Romania has consistently sought to improve its relations with the developing countries and with the West. This has necessitated a great deal of independence on Romania's part, as illustrated both by Romania's effort to gain observer status at this summer's summit of nonaligned countries and by its decision to go ahead with a trade agreement with the United States.

Parallel with these actions, Romania has taken steps to integrate its economy into the world economic system. Romania now is a member of the GATT, the IMF, and the IBRD. The result is that Romania's trading relationships have been substantially liberalized. Over the last 15 years Romanian imports from the Communist countries have dropped from 73 percent to 47 percent, while imports from the industrialized West have risen from 23 percent to 41 percent. Today, over 50 percent of Romania's foreign trade is with the industrialized West and the developing countries. Nevertheless, its trade with the United States amounted to only a small percentage—approximately 6 percent—of its total trade with the West in 1974.

#### UNITED STATES-ROMANIAN TRADE POTENTIAL UNDER MFN

Under the trade agreement total U.S.-Romanian trade could increase steadily to as much as \$1 billion by 1980. Although U.S. trade with Romania will continue substantially in our favor, we do not believe that the U.S. can continue to run a 2 to 1 trade balance with Romania forever. Consequently, we should expect a narrowing of this gap. About a quarter of Romania's present exports will benefit from lower duties, and there will certainly be efforts to sell products not currently sold to the U.S. because of discriminatory tariffs.

Of Romania's exports to the United States, petroleum fuels and lubricants have been dominant. In 1974, over 65 percent of its exports to the U.S.—over \$80 million worth—consisted of such products. Other important exports to the U.S. were agricultural tractors, footwear, canned hams, glass, and clothing.

Trade in these products is expected to continue; but in addition, there are certain commodities that are potential Romanian exports if tariff discrimination were removed. These include construction materials; such chemical products as synthetic rubber, fibers, polyethylene, caustic soda, and soda ash; metal products; rolling stock; and electronic components. Such products are generally of high raw material content rather than more sophisticated products or highly labor-intensive goods.

#### POTENTIAL JOB CREATION

Some of the critics of the trade agreement contend that Congressional approval would mean an export of jobs to Romania and thus a deterioration in the U.S. standard of living. We appreciate this concern over the employment

situation in the U.S., but contrary to this view, we see a potential for job creation in this country as a result of positive Congressional action on the trade agreement.

Romania is anxious to import a large variety of manufactures from the U.S. to be used in conjunction with projects under their new 1976-1980 Five-Year Plan. However, as a result of the large deficit Romania has been running with the U.S., the Romanians have found themselves in a position where they do not have enough hard currency to import all the American products which they desire. Once MFN is extended, Romania will be able to expand its hard currency earnings through increased exports and thus be in a better position to increase its imports from America. The Romanians will use their dollar earnings to buy here—the more they earn, the more they will buy.

In addition to MFN, approval of the trade agreement will result in Exim Bank and other governmental credits and guarantees again being extended to Romania. Without MFN and Exim Bank financing, the Romanians will be forced to make many of their purchases from our competitors in Western Europe and Japan, where government-supported credits are readily available. Instead of protecting U.S. jobs, this could only result in the loss of potential employment and exports.

With respect to U.S. investment in Romania, it might also be mentioned that the Control Data Corporation, the only U.S. company with a joint venture in Romania, has estimated that one out of every four of its jobs in its domestic manufacturing operations has come about as a result of its foreign operations, including those operations in Romania.

#### BUSINESS FACILITATION

In addition to providing a normal basis for bilateral trade, the trade agreement offers other important benefits for U.S. business. In the area of business facilitation, the trade agreement provides assurances that American firms shall receive treatment no less favorable than that accorded to firms of other foreign countries in establishing offices, including the obtaining of office and housing accommodations and the hiring of personnel, in accordance with Romanian law. The trade agreement also provides that firms of either party shall be permitted within the territory of the other to deal directly with buyers and users of their products for purposes of sales promotion and servicing. Furthermore, the agreement contains provisions for the facilitation of entry and travel by tourists and other visitors, and encourages each country's participation in trade fairs and exhibits in the other country.

Although the Romanians have furnished many of these benefits to U.S. firms on an informal basis, their specific identification in the trade agreement will enable all U.S. firms to take greater advantage of the liberalized Romanian regulations with respect to the establishment of business offices in Romania and to the establishment of equality participation in joint enterprises with Romanian enterprises.

#### *Safeguard Provisions of the United States-Romanian Trade Agreement*

In the event that U.S. jobs and firms ever be threatened by Romanian exports, the safeguard provisions of the trade agreement provide the greatest possible flexibility to deal with these problems.

First, consultations may be initiated by the U.S. Government under Article III of the agreement whenever it believes that imports from Romania are causing or threatening to cause, or are significantly contributing to market disruption within a domestic industry. In addition, a certified or recognized union, a firm, trade association or other entity which is representative of an industry may petition the President under section 406(d) of the Trade Act to initiate consultations. The President must initiate such consultations if he determines that there are reasonable grounds to believe that market disruption exists.

The purpose of such consultations is to reach within 90 days, agreement on appropriate action to remedy the problem. If an accord on quantitative limitations or other restrictions is reached, the Romanians must take measures to ensure that such limitations or restrictions are adhered to. Moreover, even if accord is not reached, the Annex to the agreement spells out that the quantitative import limitations or other restrictions stated by the importing party—the U.S. in this example—to be necessary to prevent or remedy the market disruption in question shall be implemented. In other words, the U.S. may request that Romanian

exports to the U.S. be restrained and the Romanians will be obliged to take whatever action is necessary to comply with the U.S. request.

In addition to the provisions of the agreement, the Trade Act establishes an entirely separate, but complementary, means to protect U.S. jobs and firms against injury from increased U.S. imports from Romania. At any time import relief investigations may be initiated under Title IV by, among others, the President, a union, trade association, or Senate Finance Committee.

Section 406 requires an investigation by the International Trade Commission and a finding within 3 months as to whether or not market disruption exists. We note that the market disruption test is intended to be more easily met than the "serious injury" test which applies to noncommunist countries under the import relief provisions of Title II of the Trade Act.

If the Commission finds in the affirmative, the President shall provide import relief in the form of duty increase, a tariff-rate quota, quantitative restriction, or he may take any combination of such actions, unless he determines that such action is not in the national economic interest. The President also may direct the secretary of Labor and the Secretary of Commerce to give expeditious consideration to petitions for adjustment assistance for workers and firms of the affected industry.

As a final means to assure adequate protection against market disruption for domestic firms and workers, the President is not bound to wait ninety days either for the conclusion of consultations or a Commission investigation. According to the Annex I of the agreement, restrictions may be put into effect prior to the conclusion of the consultations if an emergency situation exists. Domestic authority to impose temporary emergency restrictions prior to the Commission's finding of market disruption is provided also in Section 406(c) of the Trade Act.

#### CONCLUSION

We believe we have presented the Congress with a trade agreement that offers important benefits to the United States. We are convinced that this trade agreement will provide a proper non-discriminatory basis for the development of U.S.-Romanian economic and trade relations and for the expansion of cooperation between the two countries on a solid and enduring basis.

#### UNITED STATES-ROMANIAN TRADE, 1967 AND 1970-74

[Millions of dollars]

	1967	1970	1971	1972	1973	1974
United States exports to Romania.....	16.8	66.4	52.5	69.4	116.6	277.1
United States imports from Romania..	6.2	13.4	13.8	31.5	55.9	130.5
Total trade.....	23.0	79.8	76.3	100.9	172.5	407.6

Source: Department of Commerce, 1967-73: Bureau of East-West Trade, "Quarterly Report Under Export Administration Act." 1974: Bureau of East-West Trade, "U.S. Trade Status with Socialist Countries."

#### UNITED STATES-ROMANIAN TRADE, BY MAJOR COMMODITIES, 1974

[Millions of dollars]

Major commodities	United States exports to Romania	United States imports from Romania
Food and live animals.....	93.35	11.16
Beverages and tobacco.....	.13	.24
Crude materials, except fuels.....	69.16	1.05
Mineral fuels and lubes.....	5.54	80.24
Edible oils and fats.....	0	0
Chemicals.....	7.94	3.66
Manufactured goods.....	10.72	6.06
Machinery and transport equipment.....	88.24	8.60
Miscellaneous manufactures.....	1.65	19.15
Other.....	.38	.35
Total.....	227.12	130.52

Source: Department of Commerce, Bureau of East-West Trade, "U.S. Trade Status with Socialist Countries."

STATEMENT OF HON. ARTHUR A. HARTMAN, ASSISTANT SECRETARY OF STATE FOR  
EUROPEAN AFFAIRS

Mr. Chairman, I am very pleased to have the opportunity to testify on behalf of the trade agreement that we have negotiated with Romania.

This agreement is a major step forward in our relations with Romania. It places our bilateral trade on a basis beneficial to the economic interests of both countries. Further, it brings our commercial relations into accord with our very satisfactory political ties.

Improvement of U.S.-Romanian relations serves the foreign policy interests of both countries. The dominant theme of Romania's foreign policy is the desire to maintain a high degree of independence. More than any other Eastern European country, Romania has pursued friendly relations with countries of differing political and economic systems—with the United States, the People's Republic of China, the developing world, and with Israel as well as Arab countries. Romania participates actively in a number of international organizations. It is the only COMECON country which is a member of the IMF and the World Bank. Romania has acceded to the GATT. It leads the COMECON countries in the proportion of its trade with the West.

We wish to encourage Romania's independent policy orientation through the expansion and improvement of bilateral relations. We believe this approach also furthers our policy of detente, as we seek to develop a pattern of interacting interests and political restraint in our relations with the communist world.

Accordingly, in recent years there have been visits by the heads of state of the two countries, and various steps have been taken to develop cultural, scientific and economic ties.

Measures to improve economic relations include extension of credits and guarantees of the Export-Import Bank for our exports, and making guarantees of the Overseas Private Investment Corporation available to American private investment there. These facilities were withdrawn as required under Section 402 of the Trade Act of 1974, but they will be fully restored, as permitted under the President's Executive Order of April 24, when Congressional approval of the trade agreement is assured. In December, 1973, Presidents Nixon and Ceausescu issued a Joint Statement on Economic, Industrial, and Technological Cooperation, which set out a framework for bilateral economic relations. It established the American-Romanian Economic Commission, which provides a cabinet-level forum for annual review of our economic relations. At the same time the U.S.-Romanian Economic Council was established by the U.S. and Romanian Chambers of Commerce to facilitate increased contact between American companies and Romanian enterprises and economic organizations. A very recent development is the negotiation of a final settlement between the Foreign Bondholders Protective Council and Romania on defaulted bonds. This agreement was signed on June 24.

Recent trade trends reflect the development of closer bilateral economic relations. Two-way commerce has grown from \$22 million in 1968 to over \$400 million last year. Our exports to Romania have been exceeding imports by over 2:1. This favorable ratio indicates the strong Romanian demand over the years for U.S. agricultural goods and capital equipment, despite the fact that Romania has not enjoyed MFN treatment. Our principal import is petroleum products, which Romania continued to supply during the OPEC embargo. If we now do not remove discriminatory treatment of Romanian goods we could not expect this favorable trade situation to continue. But with non-discriminatory tariff treatment we are confident that the target in the agreement of at least a three-fold increase in trade during the period of the agreement in comparison with the period 1972-1974 will be met, and that a favorable trade balance will continue.

In negotiating this agreement we have attempted, I think successfully, to establish a framework that will encourage continued growth of trade along lines consistent with our economic interests. We considered it essential that this framework take account of Romania's centrally planned economy in two general respects:

First, we wished to obtain arrangements that would provide a measure of equivalence to the free access to our domestic market that we assure through extension of non-discriminatory tariff treatment.

Second, we wished to obtain arrangements that would ensure Romanian cooperation in dealing with any threat of injury to our industries caused by disruptive imports, while maintaining the right to take unilaterally what steps might be called for to deal with such a situation. Negotiation of the trade agree-

ment was undertaken in the latter half of January in Bucharest by an inter-agency team under the leadership of Ambassador Harry Barnes. Ambassador Dent and Under Secretary Tabor have reviewed for you many of the provisions of the agreement from the perspective of their responsibilities. I would like myself to make the following general points:

Following the mandate of Section 405 of the Trade Act, concerning provision of rights and assurances for American businessmen carrying out commercial activities in the other country, we have set out basic ground rules here that will facilitate the activities of American businessmen, supported as appropriate by our Embassy.

Also without precedent is the inclusion of commitments by both countries to maintain a balance of concessions over the lifetime of the agreement. Further, the two countries agree to reciprocate each other's concessions in the multi-lateral trade negotiations, taking into account their different levels of development. These are conditions set out in the Trade Act for renewal of bilateral agreements. A reference was included to the special commitment offered by Romania as a state-trading country when it joined the GATT, in order to make clear that we do not consider that mutual tariff reductions would suffice to assure a balance of benefits.

Safeguards against market disruption have been included which rigorously follow and in some respects exceed the requirements of the Trade Act. We doubt that disruption by imports from Romania is a serious potential problem. The preponderance of our imports from Romania consists of petroleum products, which strengthen rather than compete with American industry. Also, in one sensitive area, textiles, we have recently negotiated a new bilateral agreement that will protect our interests. Nonetheless, we believe that with a state-trading country there are special reasons for concern regarding possible injury from imports, as well as special opportunities for dealing with such situations on a basis of mutual cooperation. Accordingly, we have included safeguard arrangements calling for close consultation on the governmental level. They also require action by Romania to ensure that its exports conform to restrictions deemed by us to be necessary, and they reserve our right to take appropriate step unilaterally. These safeguards give the fullest protection to American firms against injury from imports.

These and the other provisions designed to protect our interests, together with the responsiveness to many of our requirements that the Romanian Government demonstrated during the negotiations, give us every reason to believe that the agreement will give further impetus to our trade with Romania, and that this trade will be conducted on terms favorable to our commercial interests.

Turning to the emigration aspect of this agreement, we are very mindful of the interest of the Congress as a whole in this important matter and of the concern of individual members of Congress in specific emigration cases. Let me say that we welcome this interest and will continue to consult closely with you on how to deal with these cases and with the emigration problem in general. While the Administration has reservations about linking trade with emigration by legislation, we recognize and accept the necessity to meet the requirements of the Trade Act. From the beginning of our discussions in Bucharest we emphasized that we needed more than just agreement on a commercial document alone, and we also made plain that our concerns went beyond the few hundred Romanians wishing to move permanently to the U.S. Also, we drew upon the numerous strong expressions by members of the Congress to underscore with the Romanians the importance of this question.

These requirements obviously posed serious problems for the Romanians, especially following refusal by the USSR and other Eastern European countries to accept them as a basis for negotiations. We discussed the matter in considerable detail and on numerous occasions, and we believe we and the Romanians understood each other entirely on the practical meaning and implementation of the language appearing in the President's waiver report and in other documents required by the Act. As far as the language itself is concerned, it fully satisfies, in our judgment, both the letter and spirit of the Act and will contribute to the achievement of the objectives of Section 402. At the same time it takes account of legitimate Romanian concerns.

We fully understand the wish of some Members for more details on our discussions of this subject with the Romanians. I would only emphasize their sensitivity and the consequences to both countries' interests if they should become

subject to public debate. Meanwhile, I would urge the Congress to judge Romanian emigration practices by future deeds in addition to the words of the President's Report waiving Section 402 of the Trade Act. It will be on this basis that the President himself will decide whether to seek further extension of the waiver next year.

I would be less than candid if I were to try to gloss over the relatively poor performance of the Romanians during the early months of this year. I refer to emigration to both the U.S. and to Israel. We do not know what factors lay behind this disappointing situation, but I would urge the Congress to view it in context of several important considerations. One is the relatively small scale of the emigration problem in Romania. There are only a few hundred cases of divided family members and dual nationals who have indicated a desire to come permanently to the U.S. Secondly, the Romanian government has applied a liberal policy on Jewish emigration over recent years. Under this policy well over 300,000 Jews have been permitted to move to Israel and other countries.

Since this Trade Agreement was sent to the Congress we have seen encouraging signs that the Romanians are seeking earnestly to solve the family reunification problems that concern us. They have approved the passport applications of a substantial portion of the several hundred people I referred to earlier who want to join their families in the U.S. There has been a similar improvement in approvals of divided family members wishing to go to Israel. Although there are both personal and official arrangements to be made to translate these approvals into actual departures, we believe this will occur and that the Romanian Government will do its part to speed up the process. We therefore recommend that the Congress approve this Trade Agreement, understanding that both the Executive and the Legislative branches will reexamine carefully the question of a further extension less than twelve months from now.

Both we and the Romanians have an important political as well as economic stake in the continued improvement of our bilateral relations. For Romania to continue its policy of independence in foreign affairs is clearly something we should encourage, and we see this Trade Agreement as fostering that objective. Beyond that, if the Congress approves this Agreement, we can confidently expect a sizeable increase in U.S. exports to Romania. At the same time, we will make a significant stride toward the free movement of peoples which both the Legislative and Executive branches of this Government greatly desire. Rejection of this Agreement, on the other hand, could forfeit us all these worthwhile objectives, to the detriment of both the U.S. and Romanian peoples.

Thank you, Mr. Chairman.

[Whereupon, at 11:26 a.m., the committee recessed.]

---

## APPENDIX

---

COMMUNICATIONS RECEIVED BY THE COMMITTEE EXPRESSING AN  
INTEREST IN THESE HEARINGS

---



STATEMENT OF MARVIN R. JACKSON,\* ASSOCIATE PROFESSOR OF ECONOMICS,  
ARIZONA STATE UNIVERSITY

## WHY THE UNITED STATES SHOULD RECOGNIZE ROMANIA AS A FULL AND EQUAL TRADING PARTNER

### SUMMARY

The statement focuses on reasons why the United States should not continue discriminations against Romania arising from the Trade Agreements Extension Act of 1951. Two issues are examined: (1) is Romania dominated, economically or politically by a foreign power, and (2) has Romania demonstrated a desire to expand economic relations with the United States?

The following points are reviewed:

- (1) Romania's stated policies on non interference and trade with all countries without regard to social order.
- (2) Romania's clear record of actions demonstrating its national independence.
- (3) Romania's opposition to restrictive trade blocs.
- (4) Romania's effort to expand trade with the U.S. while facing U.S. discriminations.

The conclusion is that Romania has clearly shown its international independence and that it greatly desires expanded economic relations with the United States on the basis of equality and reciprocity. By granting MFN, the United States can support the true aspirations of the Romanian people for continued national independence and a better material and spiritual life.

### STATEMENT

My statement focuses on reasons why the United States should not continue to apply against Romania, policies originating with Section 5 of U.S. Trade Agreements Extension Act of 1951. The purpose of that act was "to suspend, withdraw or prevent the application of any reduction in any rate of duty . . . to imports from the USSR and to imports from any nation or area dominated or controlled by the foreign government . . . controlling the world Communist movement."

There are two reasons why such a policy should not be applied against Romania. (1) Romania is not controlled or dominated economically or politically by any foreign government or world movement, but has repeatedly demonstrated its own independence and its desire to pursue its legitimate national interests. (2) Romania has taken the initiative to open trade with the United States and has shown its good intentions by continuing to expand trade with the United States in spite of the considerable disadvantages to it of U.S. discriminatory import duties and credit restrictions.

*1. Romania's Demonstration of National Independence.*—As recently as November, 1974, Romanian President Nicolae Ceausescu emphasized the necessity "of the complete equality of rights among all nations of the world and of the respect of the right of each people to be master of their national wealth . . . (and) to choose the social order which they desire without any outside interference . . ." Furthermore, and specifically with respect to Communist parties, he stated, "that there can not be admitted any interference on the part of one party in the affairs of another party." Finally he underlined that "Romania will actively participate . . . in the exchange of material and spiritual values with all states without regard to social order."

These are not mere words. At present Romania has economic relations with 130 states, 11 more than the 119 states with whom it has diplomatic relations. More importantly, Romania became the first member of COMECON to recognize West Germany. It was the only East European nation to continue recognition of and trade with Israel after the war of 1967. It not only refused to participate in, but actually denounced the invasion of Czechoslovakia in 1968. More recently, in addition to joining GATT, Romania became the first COMECON country to join the IMF and IBRD. Finally, it may also be added that Romania was the first, and remains the only member of COMECON to permit direct foreign investment in domestic industrial facilities.

\*The author has spent more than three years in Romania under various U.S.-Romanian exchange programs and was the first American economist to lecture Romanian students in the Fulbright-Hays program.

Romania's policies of national independence are particularly evident in its relations with COMECON. Its basic policy with respect to any trade bloc is that such a bloc should not be exclusive and should not restrict any member's right to expand trade with non-member countries. It is known that since the 1960s Romania has emphasized the growth of trade with non-COMECON nations. Its present share of COMECON trade is 50 percent, far lower than any other COMECON member. Romania's present emphasis is to continue to expand trade with nations outside of COMECON so its share of COMECON trade will no doubt continue to fall.

With respect to its basic policy towards trade blocs, it should be emphasized that there is a basic similarity with the policy of the United States. In a specific case, Romania, like the U.S., has continually opposed the protectionist tendencies of the European Common Market.

2. *Romania's Initiative to Open Trade With the United States.*—Professor Josef Brada of NYU, in a recent study presented to the First Romanian-American Seminar on East-West Trade, examined the trade shares of Romania and several other similarly developed nations in the import market of the United States up to 1969. Romania's share was relatively higher than would be expected and was explained by Professor Brada as the result of unusual effort by Romania and a willingness to sell in spite of high tariffs.

I do not need to repeat the statistics showing the rapid growth of U.S.-Romanian trade since 1969. But I urge that attention be given to Romania's large deficit in this trade. Part of this deficit is to be accounted for by American credits to Romania. But, in an important measure, the data suggest that Romania has opened her markets to U.S. exports faster than the U.S. has reciprocated. To say the least, these data evidence Romania's good will and desire to trade with the United States.

Romania's trade deficit with the United States can not be continued. An expansion of U.S. credits will help, but will require a renewed flow from the Export-Import Bank. In any case, eventually Romania must be permitted a greater share in the growing U.S. import market in order to import more from the U.S. and to repay credits. Bear in mind that under these conditions increased imports from Romania are no threat to U.S. industry. Romania asks only to share in existing imports and their growth, and offers in turn balanced U.S. exports to Romania. Moreover, Romania's participation in GATT and provisions of the U.S.-Romanian trade agreement ensure orderly marketing which can not hurt U.S. industry.

Even without tariff discrimination, exporting to the U.S. market will require great effort for it must be remembered that Romania is still a developing country. In all justice, it can be said that Romania deserves preferential treatment as a developing country. But at this time Romania is not asking for preferences. It is asking to participate and compete in the U.S. import market on an equal basis with all countries, the same right that the U.S. has already asked of Romania.

Finally, I wish to speak on the basis of more than three years of direct contact with the Romanian people as a participant of U.S.-Romanian exchange programs. All Romanians with whom I have had contact, from academicians to workers and peasants, desire closer cultural and economic relations with the United States. They believe these relations will assist them in maintaining their national independence and in achieving a better material and spiritual life. At the same time, they fear that the United States may turn its back on the world, as it has done in the past. I urge you not to let this happen. Let us accept Romania as a full and equal economic partner. Let us give Romania the recognition it deserves.

---

STATEMENT OF DONALD B. REED, GENERAL MANAGER, INTERNATIONAL  
DIVISION, DE LAVAL TURBINE INC.

De Laval Turbine Inc. is a manufacturer of heavy machinery used in the petroleum and petrochemical industries, in electric utilities and in marine applications. De Laval manufactures such products as steam turbines, large compressors, pumps and heavy diesel engines. The largest manufacturing plant of our company is located in Trenton, New Jersey with other installations in Oakland, California; Houston, Texas and Florence, New Jersey and other loca-

tions. De Laval has been an important supplier to American business as well as international customers since 1901.

Much of the heavy machinery business is now a worldwide business. No longer can a company exist solely upon the business opportunities in the United States market. The development of the world's reserves of gas and oil requires the supply of the kind of machinery De Laval manufactures around the world where such energy is available to be harnessed. For the survival and good health of this strategic manufacturing capability, this industry, including De Laval, must do business where the energy is located and thus, our outlook must be on a worldwide basis. The time has arrived where we must live with our neighbors and we must trade with those neighbors if we are to continue to be a successful industry.

De Laval is very much aware that exports mean jobs. Every machine that we can build in our United States plants and sell outside of our country results in a strengthening of our employment situation. Bolstering of American manufacturing facilities will contribute to more prosperity and more jobs in this country. It will also assist in minimizing our balance of payment problems.

In 1972 De Laval embarked upon a program to develop a close working relationship with the Romanian Foreign Trade Organization responsible to the Chemical Ministry. As a result of extensive negotiations which were based upon a feeling of mutual trust and cooperation between us, a contract was signed under which De Laval contracted to supply equipment to Romania for two fertilizer plants. The machinery consisted of steam turbines, compressors and gears which are the heart of the ammonia process for the manufacture of the fertilizer. One only needs to drive through the countryside of Romania to recognize that it is still fundamentally an agricultural country and is only now moving to an industrial posture. Romania obviously needs fertilizer and De Laval is proud to be a part of the activity which will lead to a substantial increase in the well-being of rural Romania.

Incidentally, during the early negotiations we learned to know the Romanians as exceptionally fine people and in the time that we have dealt with them we have made some very good friends; personal relationships have been warm indeed.

During 1973, further discussions were undertaken and an additional three plants worth of equipment were sold to the Romanian Foreign Trade Organization. The machinery, which was manufactured in De Laval's plants in Trenton, New Jersey, resulted in approximately 180,000 man hours of work for our plant and for our workers. There is no denying that this activity with Romania has, over the past three years, sustained a good many jobs for De Laval's and for Trenton's work force.

In the heavy machinery field, customers often must have financing to cover large cash flow needs during machinery manufacture and plant installation covering a three to four year span. A substantial portion of the sales made by De Laval were possible only because Export/Import Bank financing was available. De Laval's program with Romania could not have continued without the support of that institution, primarily because our German competition was ready and willing to undertake the business at extremely attractive terms. The support that we received from the Export/Import Bank and also from the Commercial office of the U.S. Embassy in Bucharest was exceptional. We cannot overemphasize the role played by the Eximbank in making transactions possible.

The plants which have been purchased in Romania are not the total of their needs and are not the last which will be purchased. Additional plants are presently under consideration. One of the key factors for U.S. industry, including De Laval, in continuing to develop its successful work in Romania will be the resumption of Export/Import Bank credits to that country. Romania has shown that it needs and can properly use the financial support that is possible from the Export/Import Bank. An American bank has established an office in Bucharest and the expertise now existing can full well make it possible for American firms such as De Laval to develop new as well as continue the older business activity that we have worked so hard to establish in the first place.

The Export/Import Bank credits will be a most important aspect of De Laval's future discussions in Bucharest for additional plants of the type already sold. Based upon the plans of which we are now aware, there will be two more plants required within the next six or eight months which again will produce approximately 72,000 man hours for our facilities in Trenton, New Jersey.

Eximbank support under the Romanian Trade Bill is extremely important to the State of New Jersey in which De Laval's plant is located which would build

this type equipment. New Jersey has an unemployment rate of 11.6 percent. New Jersey needs jobs badly and it needs machining hours of the type that will result from the contemplated sales in Romania. To get those orders, those machine hours, and those jobs, Eximbank credits are needed very quickly.

Because trade has to be a two way street, De Laval assists our Romanian friends in finding markets for Romanian goods abroad and if possible in the United States. Our success to date, frankly, has been severely limited, mostly because of the very high tariff rates. MFN would do a great deal to help this situation. De Laval supports the passage of this bill that would allow such Most Favored Nation tariff treatment for Romania.

Before leaving the concept of MFN, the fact that Romania has agreed to conform its tariff arrangements with the General Agreement on Tariffs and Trade Rules is a display of the proper spirit of cooperation on the part of this important trading partner.

During the many contractual discussions in which De Laval has participated in Romania, we have found our Romanian counterparts to be most straightforward, trustworthy and honest. While they had no legal commitment to respect commercial property rights, patents, copyrights, etc., they made it abundantly clear that they would do so as a normal part of doing business on a responsible basis. Nevertheless, De Laval welcomes those aspects of the new proposed Romanian Trade Act covering the Romanian commitment to respect U.S. patents and copyrights and to arbitrate commercial disputes through the International Chamber of Commerce or similar institutions. It is a very welcome decision on the part of Romania to officially and publicly establish this commitment.

In summary, having had a considerably amount of business activity with Romania, De Laval Turbine, Inc. strongly supports the Romanian Trade Act of 1974 and especially those provisions which involve protection of industrial property rights, MFN and Export/Import Bank credits. De Laval urges you to pass this bill.

---

STATEMENT OF NASH AUSSENBERG, VICE PRESIDENT, GREAT EASTERN LUMBER COMPANY, INC.

I, Nash Aussenberg, Vice President of Great Eastern Lumber Company, Inc., 2315 Broadway, New York, N.Y. 10024, better known nationally and internationally by my pen name "Nash" do hereby express my support on H. Con. R. 252 providing for Congressional Approval of extending nondiscriminatory (MFN) treatment to Romania.

I think this will be of great advantage to the interests of the United States of America, and I also think that this will encourage other East European countries to pursue independent policies and establish friendly relations with the United States of America.

At the outset I should like to stress that neither I nor any member of my family have any ethnic, racial, or emotional ties whatsoever to Romania. I represent no organization, no association—nobody but myself. However, I believe, I possess unique and specialized knowledge of Romania and her people, not usually available to diplomats or representatives of official delegations, and I, therefore, hope that my observations will be helpful to the committee in their deliberations and to vote in favor of extending nondiscriminatory (MFN) treatment to Romania. Following are my reasons:

1. I have been traveling on business to East Europe, namely Romania, Yugoslavia, Hungary, and Poland, for over ten years, averaging 4-6 trips annually. I travel freely inside these countries, buy my own plane, train or bus tickets, and I rent car at will. Therefore, I am able to observe progress, make comparisons and formulate judgements.

2. I have seen great and significant changes taking place in Romania, less centralization and greater freedom for individual enterprises and I detect a yearning for independent policies on the part of Romania.

3. Romanians take a great interest in the U.S.A. Almost all young people and also many older ones now study english and see American movies. Whenever I visited the American library in Bucharest I found many Romanians taking advantage of the facilities and engaging me freely in conversation.

4. I usually do not spend much time in the capital Bucharest, because I travel to many small villages all around Romania where the factories with which we are working are located. There I converse freely with the people, from company presidents, factory workers, hotel directors, waiters, taxi drivers, and other plain

people, either in English or German. Sometimes we argue bitterly over prices, quality or schedules. Yet despite often stormy confrontations, which are unavoidable in business transactions, nobody has ever called me "ugly American."

5. Although I buy lumber and specialty wood products in Eastern Europe, I occasionally have an opportunity to sell or recommend USA made machinery or other US materials to East European countries. I believe if M.F.N. status were granted to Romania this trade could be vastly enlarged, because Romania needs far more products from us than we do from them. I believe the trade balance would be heavily in our favor.

6. For example, Romania is now using some USA made airplanes, B-707's, in their commercial passenger planes. If M.F.N. status were given to Romania, I am sure they would need and buy many more. Another example: I am occasionally sending drugs to some of my personal friends in Romania, which leads me to believe that there is a potential huge market for U.S.A. made drug products in Romania. I can think of no better way to make friends and influence people than to send them urgently needed medicines for healing their sick and disabled.

7. There can be no doubt that the USA needs more friends in Eastern Europe. I think that Romania is ready to become such a friend, whose example would possibly influence other countries in the East European bloc.

8. Invariably, the question arises, what about the Jews and emigration? Whenever I visit Romania I also visit the Jewish community and synagogues, freely—without being followed, observed or hindered in anyway. In the synagogue I sit wherever I want, and I converse freely with the Romanian-Jewish worshippers. I am being given certain honors during the service. Nobody, but nobody is afraid to talk to me and I am certainly not afraid to talk to other Jews, or even to visit them at home providing my schedule permits it. As far as I can see the Romanian government does not interfere with freedom of religion.

9. There is an official, Government supported Jewish theater in Bucharest and I attend it regularly, often chatting with the director, actors, and stage hands.

10. There is even a strictly kosher restaurant in Bucharest where I mingle freely with other diners and I join into singing special Sabbath meal hymns.

11. Should I wish to eat kosher when I am travelling in the Romanian country side, I need only ask around in the community who would gladly refer me to other kosher restaurants in the larger cities, or to families around the country, and I can be sure of a hearty and sincere welcome.

12. Regarding Jewish emigrations I have been informed that there are now less than 100,000 Jews in Romania. Many who wanted to emigrate, because of the memory of the holocaust have done so. I have met many Jews in the synagogue and restaurants whose children or families now live outside Romania.

13. Even more significant is the fact that there are diplomatic relations between Romania and Israel. Indeed, there are direct flights between Bucharest and Tel Aviv several times a week.

14. But, the most noteworthy circumstance is, I believe, the fact that many Romanians who have emigrated to other countries are returning to Romania without fear, in large numbers for vacations and visits to their family, former homes and friends.

15. In conclusion I want to reiterate that I believe that Romania has made great strides along the road to Democracy. By giving them M.F.N. status we can show our appreciation, which will be of mutual benefit to both countries.

16. There need be no fear that Romania will flood the USA with cheap goods. There is nothing cheap anywhere anyplace in the world. They will be able to supply the American market and American manufacturers with certain specialty products.

17. With the dollars thus earned, Romania will be able to buy American goods, processes, and component parts which will help her increase her domestic goods, duction of consumer goods as well as her export to other countries.

18. I am planning more trips to Romania. Should I find any reason or evidence at some future date which should cause me to revise these statements which I have made here today, I shall once again come forward voluntarily before this committee and report my personal findings and impressions.

---

STATEMENT OF GEORGE CRISAN, LEGAL ADVISER, ON BEHALF OF THE RUMANIAN BAPTIST ASSOCIATION OF THE UNITED STATES AND CANADA

The Rumanian Baptist Association of the United States and Canada, Rev. A. S. Lucaciu, President, 19447 Grandville, Detroit, Michigan 48219 consider it is a privi-

lege and honor to submit this written statement on H. Con. Res. 252 Providing for Congressional Approval of the Agreement on Trade Relations Between the United States of America and the Socialist Republic of Romania and the Extension of Nondiscriminatory (MFN) Treatment with respect to the Products of the Socialist Republic of Romania Provided in the Agreement transmitted by the President to the Congress on April 4, 1975.

The Rumanian Baptist Association of the United States and Canada expresses support and favorable consideration of the Res. 252.

The Association comprises Rumanian-English speaking Baptist Churches in the United States and Canada. The churches are located in the States of Ohio, Michigan, Illinois, Florida and California. However, many supporting members are throughout the United States who are affiliated with English speaking churches of Baptist Denomination, yet supporting actively the Association because of their Rumanian ancestry. The Association was established in 1913 and ever since keeps active having an annual congress and publishing a monthly *The Illuminator* (bilingual)-*Luminatorul*. The monthly reaches Rumanians in 26 countries of the world. The monthly is strictly religious in contents.

The Association has kept spiritual ties with the Rumanian Baptist Group in Rumania. Before the World War II there was a well-established American Baptist Mission in Rumania, sponsored by the Southern Baptist Convention of the United States.

Ever since friendlier relations have been established between the USA Government and the Rumanian Government the Association succeeded to establish its historical ties with the Rumanian Baptists in Rumania. The Rumanian Embassy in Washington was very helpful in this respect. The President of the Association and other officers of the Association were allowed to travel in Rumania and preach in the Rumanian Baptist Churches in Rumania. Such visits have contributed very much to a better understanding between the Rumanian born American Baptist in the United States and their spiritual brethren the Rumanian Baptists in Rumania. On one occasion the Rumanian Ambassador in Washington accepted the invitation extended to him by the Association and attended the annual congress of the Association. In his address he expressed the sincere desire for friendly relations between the two nations and closer co-operation between the Rumanian Baptists in the United States and their spiritual brethren in Rumania.

The Rumanian Government has granted authorization to many Rumanian nationals to emigrate to the United States for the integration of their families.

The Rumanian Baptist Association either by its president or other officers of the Association as well as individual members have often wrote to our Senators and Congressmen expressing their view that the Most Favored Nation tariff be extended to Rumania.

The Rumanian people, throughout its history was a trusted friend of the United States of America and it seems to us that the Rumanian Government has shown a sincere desire of improving and increasing trade relations with the United States. We believe that such ties would be beneficial to both nations and we express hereby our support of the Resolution.

---

THE UNION & LEAGUE R.S.A., INC.,  
Cleveland, Ohio, May 27, 1975.

FINANCE COMMITTEE,  
U.S. Senate, Dirksen Senate Office Building,  
Washington, D.C.

DEAR SIRs: The undersigned are both citizens of the United States of America, residents respectively of Illinois and Ohio, and President and Secretary of the Union & League of Romanian Societies of America, Inc., the largest Romanian-American fraternal organization in the United States.

Because we are unable at this time to appear personally before your Committee, our organization would like to be heard by your Committee on the subject of the granting to Romania of "Most Favored Nation" status and we request hereby that this letter be read into the record of your hearings on this subject.

Although many of our members have expressed various grievances relative to the policies of the Romanian Government (as set forth in a letter to the Romanian Ambassador, a copy of which is attached hereto) our organization is in favor of granting "Most Favored Nation" status to Romania for the following reasons: friendly relations have always existed between the people of the United States

and the people of Romania; "Most Favored Nation" status will hopefully promote increased trade between the two nations thereby resulting in additional contacts with officials and citizens of both nations which will have a salutary effect for the people of both nations; President Ford believes the granting of such status is in our national interest; the Romanian government has agreed to relax its emigration policies for its citizens so as to result in substantially free emigration for those of its citizens who might wish to emigrate.

Sincerely yours,

JOHN W. POPESCU, *President*,  
SYLVIA V. FILIP, *Secretary*.

Enclosure.

THE UNION & LEAGUE R.S.A., INC.,  
Cleveland, Ohio, May 27, 1975.

His Excellency Ambassador CORNELIU BOGDAN,  
Massachusetts Avenue NW.,  
Washington, D.C.

DEAR MR. AMBASSADOR: Please be advised that we have forwarded a letter to the Finance Committee of the United States Senate putting on record our organization's recommendation that "Most Favored Nation" status be granted to Romania. As you know, we have previously expressed our written affirmative support of such status by a letter directed to the President of the United States.

While we support the efforts of your Government to attain such status, we remain mindful of various grievances against certain policies of your Government and we trust that our support of your efforts will result in the elimination of all such grievances, including but not limited to, cessation of interference of Romanian agencies and representatives in the affairs of our Romanian-American institutions; the interminably long processes required of Romanian nationals to emigrate to the United States to join spouses or families who have emigrated to our country; the refusal in many such cases to permit Romanian nationals to emigrate for the purpose of reunifying families; the unjustifiable taxes imposed by your Government on gifts forwarded by American citizens to relatives in Romania; the needless lawsuits filed in our courts in behalf of Romanian nationals in testamentary and inheritance matters and the ban of the circulation of American-Romanian publications by your Government.

We trust that these matters will receive your serious consideration and immediate affirmative action.

Very truly yours,

JOHN W. POPESCU, *President*,  
SYLVIA V. FILIP, *Secretary*.

B'NAI B'RITH,  
Washington, D.C., May 28, 1975.

Hon. RUSSELL B. LONG,  
Chairman, Senate Finance Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: On May 7 I testified jointly with Rabbi Israel Miller of the Conference of Presidents of Major American Jewish Organizations before the House Ways and Means Subcommittee on the Romanian trade agreement. We commended Romania for its effort to normalize relations with nations outside the Soviet bloc. We viewed the granting of most-favored-nation treatment as an important step towards normalization, and expressed the hope that the agreement could be approved.

But we could not in good conscience ignore the mounting evidence that Romania was not in compliance even with the requirements of the Jackson amendment which called for no more than "assurances that the emigration practices [of Romania] will henceforth lead substantially to the achievement of the objectives" of freedom of emigration.

As Ambassador Leonard Meeker, who represented our nation in Bucharest from 1969 to 1974, declared in a speech to the American Society of International Law in April, basic human rights are no longer a domestic issue but the concern of all mankind. The Jackson amendment, as modified by the waiver provision, cannot properly be considered an intrusion by any country which, like Romania, has ratified the United Nations Covenant on Human Rights whose Article 13 guarantees that all persons shall have the right to leave their country.

Thousands of Romanian Jews have indicated to relatives a desire to emigrate, but Romania has permitted fewer than 100 a month to leave in the first four months of 1975, as against some 3,500 in each of the years 1973 and 1974.

We were prepared to see a very liberal interpretation of the Jackson amendment in Romania's favor. We did not ask for a benchmark figure to be agreed to by Romania; we did not ask for written assurances; we were willing to have the President say he was "convinced," in lieu of the statutory language of receiving "assurances." But we could not blink our eyes to the fact that since the Congress adopted the Jackson amendment, Romania's emigration practices have taken—and continue to take—a turn for the worse.

Regretfully, we were constrained to ask the House Ways and Means Subcommittee to hold up approval of the trade agreement in the hope that in the time remaining under the statute for congressional action, the Romanian Government would establish convincingly that it is moving towards freer emigration.

Unfortunately Romanian emigration—for reasons which are completely inexplicable to us—shows a further decline in May as compared to the first four months of this year. Our best information is that fewer than 60 Romanian Jews have been permitted to emigrate as of the first four weeks in May.

We have no choice therefore but to urge your Committee to withhold approval—however much we would otherwise like to see trade relations with Romania normalized—until Romania establishes emigration policies and practices that show substantial progress towards freer emigration.

May I ask that this letter be made part of the record of your hearings.

Sincerely,

DAVID M. BLUMBERG.

THE ROMANIAN ORTHODOX EPISCOPATE OF AMERICA.  
Jackson, Mich., May 28, 1975.

Attention: Mr. Michael Stern, Staff Director.  
Re Romania MFN.

FINANCE COMMITTEE,  
U.S. Senate,  
Dirksen Senate Office Building,  
Washington, D.C.

DEAR SIR: I am Valerian D. Trifa, the Bishop of the Romanian Orthodox Episcopate of America which is the largest religious organization established in the United States by the Americans of Romanian descent, professing the Orthodox Christian faith.

We would like to avail ourselves of the opportunity to be heard before the Senate Committee on Finance at the hearing on Senate Concurrent Resolution No. 35 and are sending this written statement for the record in lieu of personal appearance.

Please be informed that we like to be considered *in favor of granting the status of MFN to Romania.*

We have reached this decision on the basis of the following considerations:

1. The traditional friendly relations between the American and Romanian peoples could be maintained and promoted through a good workable Trade Act.
2. The President of the United States has determined that in spite of differences in ideologies and forms of government, the granting of MFN status to Romania is in the National interest of our country.
3. The government of Romania has given assurances that it will enact new policies and practices that will substantially lead to free emigration for the Romanian citizens.

In a separate letter I have informed Ambassador Corneliu Bogdan of Romania about some of the grievances that Americans of Romanian descent are raising about the policies of the Romanian government. The letter is hereby attached and is self-explanatory.

Sincerely yours,

VALERIAN D. TRIFA,  
Bishop of the Romanian  
Orthodox Episcopate of America.

Enclosure.



**THE ROMANIAN ORTHODOX EPISCOPATE OF AMERICA,**  
*Jackson, Mich., May 28, 1975.*

**His Excellency Ambassador CORNELIU BOGDAN,**  
*Massachusetts Avenue NW.,*  
*Washington, D.C.*

**DEAR MR. AMBASSADOR:** I take this opportunity to inform you that I have filed with the Finance Committee of the United States Senate a declaration in favor of granting the status of MFN to Romania.

A copy of the letter to the Senate Finance Committee is hereby attached.

Our position in favor of granting the MFN status to Romania is motivated by our long standing policy to do everything within our power to promote and strengthen good relations between the American and Romanian peoples.

However, I would like to bring to your attention that we cannot overlook the fact that among the members of our American-Romanian organizations there are many complaints regarding the policies and practices of your government toward the Americans of Romanian descent.

I am sure that many of the general and individual grievances have reached your offices.

Among those grievances we hear most often voices and which have not as yet found relief are the following:

1. The failure of the Romanian authorities to permit the reunification of families separated under unfortunate circumstances.
2. The continuous interferences of Romanian agencies and diplomatic representatives in the life of our Romanian Orthodox Church.
3. Unnecessary law suits initiated in behalf of Romanian citizens in the matters of testaments, wills and inheritances.
4. The unreasonable taxation applied by the Romanian government to gifts sent by American citizens to relatives in Romania.
5. The prohibition of the circulation in Romania of American-Romanian publications.

I bring this to your attention in the sincere hope they will be given serious consideration and policies will be enacted on the part of your government that will make good relationship between the United States and Romania a reality from which everyone involved will have only to gain.

Yours truly,

VALERIAN D. TRIFA,  
*Bishop of the Romanian*  
*Orthodox Episcopate of America.*

---

**STATEMENT OF JOSEF C. BRADA, ASSOCIATE PROFESSOR OF ECONOMICS AND  
 INTERNATIONAL BUSINESS, NEW YORK UNIVERSITY**

Commercial relations between the United States and the countries of Eastern Europe have been, are and will, for the foreseeable future, continue to be an amalgam of economics and politics. Thus to discuss only economics would be to ignore too much; to treat political issues at length would, for an economist, be to presume too much. Consequently I shall limit myself to some brief observations on the political desirability of improved economic relations with Rumania and then pass on to economic issues.

**THE POLITICS OF MFN**

The tradition of American trade policy has been to extend unconditional Most Favored Nation (MFN) treatment to all our trading partners, regardless of their political systems or their compliance with our foreign policy. Such behavior on the part of the United States reflects, no doubt, a belief that international harmony would be best served by an effort to treat equally nations which espoused, to some degree, the principles of international behavior and of human rights which this country has traditionally supported. Thus we have not sought to reward or punish individual countries when they agreed or disagreed with us on specific issues. Rather we have acted to support an international consensus on broad principles. Consequently the withdrawal of MFN from the countries of Eastern Europe following World War II was not a short-run policy expedient, but a sanction with both economic and moral force.

While there can be no doubt that at the time MFN was withdrawn the countries of Eastern Europe accepted neither the principles of international behavior nor of the human rights espoused by the United States, in the case of Rumania the events of the past fifteen years suggest that reevaluation of our stance is in order. Judged on the basis of her external relations, I would submit that Rumania has, over the past 15 years demonstrated a commitment to the principles of self-determination and non-intervention which make the denial of MFN as a moral sanction excessively severe and unjustified.

#### ECONOMICS OF MFN DISCRIMINATION

The denial of MFN significantly reduces the volume of East European exports to the United States. In the case of Rumania, the effect of the discriminatory tariff treatment reduces Rumanian exports to from 50 to 70 percent of their potential volume. This shortfall is due in part to the effect of the tariff in making Rumanian goods less competitive and in part to the behavior of Rumanian foreign trade organs in avoiding the American market in response to these tariffs. However, the latter effect is much smaller in the case of Rumania than in the case of the other East European countries. Thus, it would seem that Rumanian exporters are relatively conscious of the American market and that, were MFN extended to Rumania, the opportunities thus provided would be successfully exploited. This, of course, should be highly satisfactory from the point of view of the United States, since a poor economic response to the granting of MFN would reduce its value as a bargaining tool *vis a vis* the other East European countries.

The extension of MFN treatment to Rumania would also be beneficial to the United States economy and to our balance of payments position. Although Rumanian exports to the United States would increase, much of this increase would represent not an increase in total United States imports but rather a substitution of Rumanian goods for those of other countries. American exports, on the other hand, would register a net increase, due to greater demand for our goods on the part of Rumania. The enhanced ability of Rumania to earn dollars would be reflected not only in increased purchases from these earnings but also in terms of greater purchases on credit, since the increased dollar earnings could be utilized to service a greater amount of debt.

While it has often been argued that gains to American producers from East-West trade are small and limited to a few specific sectors of the economy, such a view ignores the complex and interdependent nature of the American Economy. I have performed some preliminary calculations which indicate that the increase in domestic output generated by our exports to Eastern Europe is roughly twice the dollar value of those exports. Furthermore, since export industries require inputs from non-exporting industries and from the service sector as well, the stimulus of these exports is propagated throughout the entire economy.

Thus, the net effect of our trade with the countries of Eastern Europe is to create jobs and expand output in all sectors of the economy. Since, at least in the short run, the likely impact of MFN on our trade with Rumania will be to increase our exports more than our imports, this beneficial effect on our economy will be strengthened.

#### MFN AND RECIPROCAL CONCESSIONS

A major element in the debate over the granting of MFN to Socialist countries lies in the direct and indirect effects on these countries of conditions which we may impose in connection with the extension of MFN. While in principle the effort to change the political systems and behavior of these countries may be laudable, commercial policy seems to me to be an inappropriate tool.

This, however, does not mean that I advocate that we should not seek some concessions in return for MFN. However, I would submit that an effort to negotiate some concessions in the area of commercial relations would be far more appropriate, viewed with greater understanding by the East European governments, and much more likely to yield significant progress.

Since the United States is, through the extension of MFN, making its market more accessible to Rumanian goods, it seems only proper that we should, in return seek greater accessibility to the Rumanian market for American exports. I fear that this has been a much neglected issue, primarily because of the great demand in East Europe for certain types of technologically advanced American

goods. Nevertheless, the fact remains that the state trading systems of those countries interpose themselves between American producers and East European markets.

In consumer goods and some industrial products as well, only imports from other Socialist countries are permitted, thus excluding the possibility of sales by American firms. It should be the concern of our government to insure that all sectors of the American economy have a fair chance to compete for the East European market. If an agreement on issues of access to the Rumanian market could be reached, it would place our exports on a much firmer and stable basis than the current pattern of sporadic sales of agricultural goods and overreliance on exports of high technology.

In addition, there are other issues which deserve attention if Rumanian-American trade is to continue to expand. These include, *inter alia*, the protection of industrial processes, laws governing joint-ventures, trade arbitration, etc. Such issues are, to my mind, much more appropriate *quid pro quos* in negotiations regarding MFN treatment than questions of political philosophy.

---

STATEMENT OF PAUL M. DEAC, EXECUTIVE VICE PRESIDENT, NATIONAL  
CONFEDERATION OF AMERICAN ETHNIC GROUPS

I am the national executive vice president of the National Confederation of American Ethnic Groups.

Mr. Chairman, we, the National Confederation of American Ethnic Groups, representing a broad-based leadership coalition of some 75 mostly nationwide cultural, civic, fraternal, and religious organizations dedicated to the progress and well-being of U.S. citizens of continental European and Asian ancestry, appreciate the courtesy of being admitted to urge Senate approval of the President's 1975 Agreement on U.S. Trade Relations with the Socialist Republic of Romania.

We have studied the text of the agreement carefully from the viewpoint and interest of middle America—meaning primarily the workingman and woman—and found it sound and worthy of our support.

To us in the Confederation, this measure, if approved by Congress, will mark another step toward world peace through expanded world trade. To America's working masses this can and should mean greater prosperity and, therefore, more economic security. We stand four-square behind legislation which promises to, here I quote from President Nixon's 1973 message to Congress:

Provide more and better jobs for American workers.

Enable American consumers to get more for their money.

Expand trade and increase prosperity for United States and its trading partners.

Reduce world tensions and strengthen peace structure.

But we are also concerned with the need for a new and more equitable world economic order wherein the American taxpayer and consumer will no longer be expected to carry other less enterprising nations.

We shall continue to oppose:

Rapid increases in imports that disrupt our economy and deprive American workers of their jobs.

Unfair competitive practices of other nations.

United States imbalance of payments and the lag in dealing effectively with the evils of inflation at home.

We recognize that in the past economic rivalries and conflicts nearly always ended in open warfare, with all the heartbreaks, death, and devastation war implies. And, we are happy to observe that the nations of the world are now moving away from solving economic and political differences by force of arms. Negotiation is replacing confrontation on the world scene. This is one more reason why we must equip our Government to deal effectively with the other nations of the world.

Thanks in part to heavy injections of American aid to nations with war-shattered economies and to new and developing nations, new economic patterns have emerged; new economic energies are at work which we must take into account.

We hear much talk about the strains and stresses in world economy, but we believe these difficulties can, and will be overcome if your own leaders rise

to meet these new challenges. The time is ripe for an equitable solution of world problems without recourse to arms, because most world leaders have come to realize that economic interdependence, not isolationism, shared economic leadership, not dominance by one nation over another, are the only fair and workable solutions to the complex problems brought on by the atomic age.

More and more people are aware that a broad variety of trade barriers in this and other countries cost us several billion dollars every year in higher consumer prices and inefficient utilization of our resources. The administration's agreement is designed to correct this situation.

Our Confederation favors legislation giving our President authority to extend most favored nation status to any country when he considers such a move in the best interest of our Nation. Our trade balance with Romania is overwhelmingly in our favor. We already sell twice as much to that country as we buy from her.

Poland and Yugoslavia already enjoy most favored nation status. We believe it is only fair that a country that has made such courageous strides toward independence should be encouraged and helped by freedom-loving America. So much more so that with President Nixon's visit to Bucharest in 1969, and since, that fast-developing country has lost no opportunity to demonstrate its faith in and friendship for America and Americans. Such a gesture on our part may encourage other countries, Hungary, Bulgaria, Czechoslovakia, and others, to emulate Romania.

We urge you, Mr. Chairman, to consider these possibilities and to give due consideration to a developing nation that seeks our friendship and is eager to engage in a mutually advantageous business with the United States.

Thank you, Mr. Chairman.

Thank you, gentlemen.

---

NATIONAL FOREIGN TRADE COUNCIL, INC.,

New York, N.Y., May 21, 1975.

Hon. RUSSELL B. LONG,

Chairman, Committee on Finance, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The National Foreign Trade Council welcomes the conclusion of an Agreement on Trade Relations between the United States of America and the Socialist Republic of Romania. It regards the signature of such Agreement on April 2, 1975, as a significant step toward normalization of commercial relations between the two countries.

The Council urges approval by concurrent resolution of the Congress of the extension of non-discriminatory (MFN) treatment to the products of the Socialist Republic of Romania, in accordance with Section 405(c) and the procedures set forth in Section 151 of the Trade Act of 1974.

As you know, the membership of the National Foreign Trade Council, which was founded in 1914, comprises a broad cross section of U.S. companies engaged in all major fields of international trade and investment including manufacturers, exporters, importers, bankers, insurance underwriters and companies engaged in sea and air transportation.

It is respectfully requested that this statement of position on behalf of the National Foreign Trade Council be included in the record of the Hearings on S. Con. Res. 35 which are scheduled June 3rd.

Sincerely yours,

ROBERT M. NORRIS,

President.

---

STATEMENT OF HUGH P. DONAGHUE, ASSISTANT TO THE CHIEF EXECUTIVE OFFICER, CONTROL DATA CORPORATION

Control Data Corporation is pleased at the opportunity to present testimony to this committee expressing our support of the pending Senate Concurrent Resolution 35 which would extend nondiscriminatory (MFN) treatment with respect to the products of the Socialist Republic of Romania.

Control Data Corporation is a major manufacturer of computers and related peripheral equipment, not only for our own systems needs, but for other computer manufacturers in the United States and abroad. In 1974 our computer operations produced revenues of \$1.1 billion. Of this, \$340 million was overseas business.

We operate in thirty-one countries worldwide, including Romania where we have been active in marketing our products since 1968. In April of 1973 Control Data entered into a joint venture with the Industrial Group for Electronics and Vacuum Technology (CIETV), a Romanian enterprise, to form ROM CONTROL DATA S.R.L. This company will initially manufacture two types of computer peripheral products; a series of line printers and a card reader. The company is 45 percent owned by Control Data of the U.S.A. and 55 percent by CIETV of Romania. Both Control Data and our partner, CIETV, expect to realize a profit from this joint venture.

The joint venture currently produces three models of the line printer. The first shipment of this printer took place on December 13, 1974. In April we produced 56 units, and scheduled the production of 75 for the month of May. Furthermore, we expect to meet our goal of 95 units per month by November of this year. We operate out of a new plant of 65,000 square feet and employ 175 people including five Americans in various managerial positions. In July of this year we shall start the assembly and manufacture of the card reader.

We view this joint venture as a unique experience for our company. As you may know it is the first joint venture between a U.S. firm and a Romanian enterprise; a capitalist corporation and a socialist entity. The establishment of this joint venture was possible because of the changes in Romanian law that took place in November of 1972. At that time two decrees were published--Decree 424 entitled "On (the) Constitution, Organization and Operation of Joint Companies in the Socialist Republic of Romania" and Decree 425 entitled "Regarding Tax on Profits of Joint Companies Constituted in the Socialist Republic of Romania." But, these two decrees were just two additional steps in a number of steps that Romania has taken over the last several years to encourage various forms of cooperation and trade between its enterprises and the West. In 1971 Romania joined the GATT (General Agreement on Tariffs and Trade). Also in 1971 Romania passed a law which allowed western companies to open offices in Romania or be represented by certain Romanian organizations, and it also passed a new comprehensive foreign trade law. In 1972 Romania became a member of both the World Bank and the International Monetary Fund.

Reflecting back on the establishment of the joint venture, as well as looking forward to the growth of this joint venture company, we are convinced that we, Control Data, will benefit in the following ways:

First, we have established a second source of supply for the products to be manufactured there. We have full confidence that the workers in the plant meet the high technical standards necessary to ensure quality products. Since these products will be introduced into the Romania marketplace as well as elsewhere, we have increased our total penetration of this market. This, in turn, has enhanced our marketing opportunities in Romania, as well as other socialist countries; an opportunity which might not have been available to us had we not been willing to enter into some form of cooperation.

The fact that we both have agreed to fund future research and development for these products as well as others, has allowed us to share some of the expensive burden of R & D. Also, since we expect to make a profit and have the capability to repatriate such profit, the joint venture should add to the overall profitability of Control Data. And last, but certainly not least, having Americans resident in Bucharest and working side by side in the plant with our Romanian counterparts should lead to a better understanding of each other, our different social systems, customs, etc. These are then some of the gains we expect to realize from this undertaking.

Since the establishment of this joint venture there has been considerable interest on the part of many other companies in the U.S. to enter into similar agreements with other Romanian enterprises. Our company has responded to several dozen requests for information concerning the negotiations and the establishment of our joint venture. Having read the "Agreement on Trade Relations Between the United States of America and the Socialist Republic of Romania", I am convinced the passage of Senate Concurrent Resolution 35 and the adoption of the trade agreement will do much to facilitate the conclusion of other joint ventures similar to ours.

But this is not the only reason for our support of Senate Concurrent Resolution 35. As I mentioned earlier, Romania has taken many steps to encourage trade and cooperation with the West. Passage of this resolution by both Houses of Congress will surely indicate to Romania and the rest of the world that her approach to cooperation was correct. We also must not lose sight of the fact

that Romania is a developing country, and our actions toward her will be watched by many developing countries with keen interest.

Finally, we are facing the first test of some of the provisions of the Trade Reform Act of 1974. Many critics of this act have stated that the true purpose of Title IV was to restrict trade with the socialist countries. The Soviet Union has not been willing to accept the Trade Reform Act in its current form. Romania has chosen to abide by the provisions of the act and has convinced President Ford that she is in compliance with its provisions. We sincerely hope that this committee is also convinced and will recommend to the full Senate the adoption of Senate Concurrent Resolution 35.

CHICAGO, ILL., June 1, 1975.

Subject: Treaty Agreement to Consider Most Favored Nation Status for Romania.

Hon. MICHAEL STERN.

*Staff Director, Senate Finance Committee, Dirksen Senate Office Building, Washington, D.C.*

DEAR SIR: I have heard that the Finance Senate Committee is debating the matter of according the "Most Favored Nation Status" to Romania.

As an American citizen of Romanian origin, I am vigorously opposing such a privilege, as long as the Communist Dictatorial Government of Romania denies to its people the basic human rights. The Romanian Government to this day has demonstrated that it is the most tyrannical and despotical regime in Europe.

In Chicago where I live, there are among our Romanian-American Community numerous victims of this Communist tyranny. The majority of them are lacking the courage to speak openly for fear of Communist reprisals to their separated families in Romania. In addition to this, the Romanian Embassy in Washington is very active in perpetrating an atmosphere of fear and dependency among Romanian-American Communities.

Allow me to mention a few of our people that dare to speak out for their families, and for the human rights which for so long have been ignored by the Communists.

1. Doina Vircol, 1637 1/4 W. Fargo Ave., Chicago, Illinois, 60626, is striving to reunite with her husband, Alexis Vircol, Bucharest, Romania.

2. Paul and Maria Ciupci, 3920 N. Lake Shore, Chicago, Ill. are seeking reunification with their three minor children left in Romania.

3. Stephanie Gataiantu, 3610 N. Pine Grove, Chicago, Ill. 60627 also is seeking reunification with her Mother left in Timisoara, Romania.

4. Alexandru Ionescu-Lungu, 1637 W. Fargo Ave., Chicago, Ill. 60626, desperately is trying to reunite with his wife and son left in Bucharest, Romania.

Please consider my plea, and do not grant such an unconditional privilege to the Romanian Communist Government until they lift their restrictions on immigration and allow these people the basic Human Rights, such as freedom of choice and travel.

Very truly yours,

EUGEN BARSAN.

CHICAGO, ILL., June 1, 1975.

Hon. MICHAEL STERN.

*Staff Director, Senate Finance Committee, Dirksen Senate Office Building, Washington, D. C.*

DEAR SIR: I am George Bulumete, American citizen, living at 1633 West Fargo Avenue, Chicago, Illinois, 60626. Knowing your respect for human rights and individual liberty, your love and consideration for your family and for all families and concerning the ratification of commercial Trade between United States and Romania, I would like to let you know the following examples which prove that the Romanian authorities do not respect the right of the reunification of families:

1. Paul and Maria Ciupci, Romanian immigrants. Entered the United States on December 1973, living at 3920 No. Lake Shore, Chicago, Illinois, with a son here, who is an American citizen by birth. They have three older children in Romania, ages 6, 7 and 8, living with their grandparents at Com. Gîrlau Nr. 196, Jud. Cluj, and have been apart now for two years.

2. Alexandru Ionescu-Lungu, Romanian political refugee, entered the United States on April 30, 1974, living at 1637 West Fargo Ave. Chicago, Illinois, 60626, has in Romania his family unable to follow him because the Romanian authorities refused their request to leave the country. They are: Maria—wife,

Dan - son, and his mother Ecaterina, living at Str. Australui 48, Apt. 6 Sector 3 Bucharest, who have been separated for two years.

3. *Gheorghe and Tudorita Jugureanu*, Romanian immigrants living at 5030 N. Marine Dr. Apt. 2701, Chicago, Ill. 60640 have their only son Mihail (8 years old) living at Bdul 1 Mai No. 150, Bloc 7 Scara A, Apt. 4, Bucharest, Romania, now separated for three years. His parents, entered the United States on March 1974, completed all the forms to bring him here however the Romanian Government did not give them approval.

4. *Stephanie Gataianu*, permanent resident residing at 3610 Pine Grove, Chicago, Ill. 60627. She has been separated from her mother (presently very ill) Maria Gataianu who lives at Str. Popa Sapea No. 32, Bloc A 12, Sc.C, Apt. 2, Timisoara, Romania, for almost five years.

5. *Dona Vircol*, American resident, entered the United States on November 25, 1972, with her son Alexandru Vircol, living at 1637½ West Fargo Ave. Chicago, Ill. 60626, has her husband Alexis Vircol in Romania, living at Str. Prof. Ion Cantacuzino Nr. 5 Sector 1 Bucharest. They have been separated for almost three years.

I ask you to help these people to be together with their families on free American soil.

I hope that through your energetic action you will be able to resolve the problem of reunification of Romanian-American families.

Thank you for your consideration.

Sincerely yours

GEORGE BULMEFE.

MORTON GROVE, ILL., June 9, 1975.

Mr. MICHAEL STERN,  
Staff Director of The Senate Finance Committee,  
Washington, D.C.

As an American citizen I wish to inform your Honorable Committee about the fact that Romanian authorities have retained, for over two years, a nine year old child, named Mihai Jugureanu, only because his parents, Gheorghe and Tudorita Jugureanu have decided to choose the freedom and came to live in the USA, where they were accepted as refugees in 1974.

Even if the parents, now living in Chicago, Illinois, 5030 North Marine Drive, have already complied with everything the Romanians laws are asking for in such cases, still until today those authorities have refused to allow the child to leave Romania and to join his parents here. No reason was ever given to explain such an unhuman attitude.

The child, left without appropriate care, lives in very poor conditions in Bucharest, Romania, Bdul 1 Mai 151, and this case is very well known to the State Department and the USA Consulate in Bucharest.

Respectfully yours,

IZU M. CANER.

ACLI INTERNATIONAL, INC.,  
New York, N.Y., June 2, 1975.

Mr. MICHAEL STERN,  
Staff Director, Senate Finance Committee, Dirksen Senate Office Building,  
Washington, D.C.

DEAR MR. STERN: I am senior vice president of ACLI International Inc. and president and chief executive officer of International Commodities Export Company and ACLI Metal & Ore Company, both divisions of ACLI. ACLI is one of the world's largest privately owned trading companies dealing in cocoa, coffee, rubber, seafood, sugar and molasses, chemicals, feedstuffs, fertilizers, industrial machinery and equipment, metals and ores.

We are heavily engaged in trade with Romania and have, over the years concluded substantial business in commodities, chemicals and metals with several Romanian trade organizations. While this business has been initiated and concluded principally from New York, the final destinations of the goods frequently have been third countries. This is unfortunate since there are numerous products which can be profitably exchanged between Romania and this country. The main obstacle to such exchanges was the then non-preferential tariff on imports from Romania.

Our firsthand knowledge of and experience with the Romanians indicates that they are eager to increase their imports from the U.S.A. but are hampered from doing so by lack of hard currency foreign exchange, particularly U.S. dollars. Romania is dependent upon its exports to generate foreign convertible currency.

We believe the best way to encourage and to increase the purchase of American goods and services by other countries is to give them the opportunity to sell their products here on an equitable and competitive basis. This was not possible with Romanian origin products under the non-preferential tariff status until President Ford's proclamation on April 24. We present this testimony to your Committee in support of this proclamation.

Since 1960, when the claims of U.S. nationals against Romania were settled, the United States and Romania have enjoyed a friendly and mutually beneficial relationship. In 1964, the trade aspects of this relationship were enhanced when we liberalized our controls on exports to Romania and made her eligible for Export-Import Bank financing and for Overseas Private Investment Corporation loan guarantees and insurance programs. The result has been that U.S.-Romanian trade increased from \$22 million in 1968 to \$109 million in 1974.

Further evidence of Romania's desire to maintain cordial and equitable trade relations with us was our mutual establishment of a consular convention. Romania has also joined the International Monetary Fund, another indication of her desire and intention to join the world trading community.

The Executive Branch of our government has consistently expressed its intention to work for the enactment of legislation extending Most Favored Nation treatment to Romania. This commitment is in line with the oft stated policy of the Executive Department and of Congress to recognize East Bloc countries as not one political or single geographical unit, but as distinct and separate national entities of varied character. It has been the demonstrated policy of the Government of Romania to follow frequently an independent and sometimes innovative course of action from those of its fellow members of the East Bloc. At a time when the United States Government is seeking to widen its trade with the East Bloc countries; considering our national need to increase exports and acquire some competitive products, we strongly urge, also in our own self-interest, the granting to Romania of Most Favored Nation status.

The political basis of relations between Romania and the United States is good and more than adequate for sustained expansion of economic cooperation. There are no pending bilateral issues between our countries, with the exception of Most Favored Nation status for Romania.

While there has been considerable concern in Congress and throughout the country about the immigration policies and other internal actions of certain members of the East Bloc, we do not believe that the policies and actions of the Government of Romania should be made part of that concern. Romanian policy is one of relative independence and cooperation with all states. That the independent nature of this policy has been recognized by the United States Government is more than evidenced by numerous statements to this effect by officials of the Executive Branch, including our President.

It is also sometimes asserted that the question of Most Favored Nation treatment is for Socialist states more a question of a political nature or a matter of prestige than one of overriding economic or commercial need. For Romania, this assertion is not correct.

The granting of Most Favored Nation treatment by the United States is a matter of great economic and political importance to her. Should this status be ratified by Congress, Romania would be able to export more merchandise to us, and, in turn, earn more dollars to purchase needed U.S. technology.

As an example of the importance of Most Favored Nation status for Romania, we point out that two-thirds of the goods exported by Romania are affected by present discriminatory tariffs. For example, the dollar worth of Romanian exports to the U.S. market in 1974 was \$83 million. These exports could have been at least 20% greater had Romania enjoyed equal tariff treatment.

Of particular importance to International Commodities Export Company are Romania's petrochemicals, fertilizers and fertilizer raw materials. As there are increasing demands upon U.S. petroleum and natural gas resources, the U.S. must look abroad for sources of petrochemicals and fertilizers to supplement its production and to prevent the too rapid depletion of its resources. Romania produces a surplus of fertilizer and fertilizer raw materials based upon its abundant natural gas and petroleum resources. Without Most Favored Nation



status, Romania fertilizer and fertilizer raw materials are not able to compete in the U.S. market. Fertilizer produced by Romania is almost exclusively nitrogen-based, such as urea. Given the opportunity to acquire U.S. dollars for their product, Romania would be in a position to acquire American technology for its petrochemicals and fertilizer industries and for purchase of fertilizers not available in Romania and produced in the U.S.

We firmly believe that to continue to withhold Most Favored Nation status from Romania serves no useful purposes—politically nor economically—and actually impedes our economic and foreign policies.

Mr. Chairman, we respectfully urge that your Committee favorably report upon the recent action of President Ford and recommend a ratification of the agreement on trade relations which we entered into with Romania on April 2, 1975. We concur with the President that this will finally bring the status of our economic relations with Romania into agreement with what he has characterized as the very satisfactory state of our political relations with that country.

Respectfully,

E. S. FINLEY,  
Senior Vice President.

CHICAGO, ILL., June 1, 1975.

HON. MICHAEL STERN,  
Staff Director, Senate Finance Committee, Dirksen Senate Office Building,  
Washington, D.C.

DEAR SIR: I am a Romanian emigrant, now permanent resident of the United States and as your Committee is investigating the possibility of granting the "Most Favored Nation Status" to Romania—my native country—I would like to express my views on this subject.

Because of existing conditions in Romania, I decided to try to leave and find my freedom in the land where my father was born (He was born in Akron, Ohio). In 1970 I escaped from Romania through Yugoslavia and found my way to Italy where I received political asylum. In May 1971 I emigrated to the U.S.A., and I am now a permanent resident.

My father has passed away and my brother too, and my mother is now alone in Romania with no one to take care of her. She is very ill with a bad heart condition, and I am in a state of despair. It is my sincere wish to have her here with me so that I can take care of her. She resides at: Str. Popa Sapca Nr. 32, Bloc A 12, Sc C., Apt. 2, Timisoara, Romania, her name is Maria Gataiantu.

Her wish is to come here to be with me, and she has discussed this with the American Ambassador in Bucharest.

In July 1974, my Mother applied for a passport and was refused, without any explanation. She tried again in March of 1975, but was refused an application.

To satisfy all the requirements of the Romania Government in July 1974, I renounced my Romania citizenship, and as yet I have not received any acknowledgement. I sincerely hope that you can assist me in bringing my Mother here. I am very concerned for her health and welfare.

Considering that the reunification of a family is a legal and moral act and the fact that Romanian Authorities are once more disregarding the International Laws by creating artificial barriers I am now asking you to investigate the Romanian stand on immigration before decisions about "Most favored Nation Status" have been reached. Because of such important issue as "Freedom of choice" have been ignored by Romania for many years and so much distress created in our families—mine being only one of many—I entreat you to take into account this immigration problem, before making a decision on this Agreement.

Thanking you in advance for your consideration,

Sincerely yours,

STEPHANIE GATAIANTU.

CHICAGO, ILL., May 26, 1975.

HON. MICHAEL STERN,  
Staff Director, Senate Finance Committee, Dirksen Senate Office Building,  
Washington, D.C.

DEAR SIR: I am coming to you for help in securing the release of my brother Traian Feder and his family from Romania. I came to this country with my husband and son in 1970. Since then we have had two more sons, born in the United States, who are citizens by birth and my husband and I have also become citizens of the United States.

Now my husband Theodor Georgescu, has terminal cancer and has but a short time to live, and I will be all alone here with three childrens to raise.

Since my brother is the only member of my family still in Romania, I would like to have him come to the United States and live with me. Could you possibly help in getting his release and his family (wife—Luci and son—Radu). God would surely bless you.

My brothers' address is: Traian Feder, Bloc B4, Sc. III, Apt. 59 Etaj IV, Galati—Romania.

Very respectfully yours,

RODICA GEORGESCU.

CHICAGO, ILL., May 26, 1975.

HON. MICHAEL STERN,  
*Staff Director, Senate Finance Committee, Dirksen Senate Office Building,  
Washington, D.C.*

DEAR SIR, I am coming to you, hoping will be successful in getting my step brother, Vasile Gheorghiu, his wife, Eugenia Gheorghiu, and their children (Georgiana—daughter and Alexandru, son) permission to come to the United States. They live on Bucarest-Romania, Bld. Gh. Dimitrov no. 61.—Sect. 3.

My mother died when I was 9 years old and his mother raised me, together with him, and I really love him like my own brother.

I like to let you know, I am an American citizen.

As time is of the essence, we beg you to intercede in their behalf.

Very respectfully yours,

THEODOR GEORGESCU.

CHICAGO, ILL., May 27, 1975.

HON. MICHAEL STERN,  
*Staff Director, Senate Finance Committee, Dirksen Senate Office Building,  
Washington, D.C.*

HON. SIR; We are coming to you as the last resort hoping that you will be successful in getting our sister, Rodica Georgescu, her husband, Gheorghe Croitoru, and their children (Georgiana, daughter and Cristian, son) permission to come to the United States.

They are the only members of our family still in Romania, and with the exception of our father, we have all become citizens of this country.

The reason for this desperate plea for help in getting our sister here at once is that our brother, Theodor Georgescu has but a few weeks to live, as he has terminal cancer and he keeps asking to see her, also our father want to see her.

We have asked the Romanian Government to release her and her family, and we have filled out all the necessary governmental forms. In fact, we have even purchased a plane ticket for her use so there would be no unnecessary delay—but so far our pleas have gone unanswered, and we are hoping that with the new relationship being established between the United States and Romania, our sister and her family would be one of the fortunate ones to be released.

As time is of the essence, we beg you to intercede in their behalf.

Very respectfully yours,

PAULA M. WOLFF, *Sister.*  
GEORGE RAYMONDO, *Brother.*  
MIHAI GEORGESCU, *Brother.*  
THEODOR GEORGESCU, *Brother.*  
IOAN GEORGESCU, *Father.*

SKOKIE, ILL., June 9, 1975.

Mr. Michael Stern,  
*Staff Director of The Senate, Finance Committee,  
Washington, D.C.*

Dear Sir, As an American citizen I consider my duty to inform your honorable Committee about the fact that the Romanian authorities had vengefully retained, for more than two years, a nine years old child, named Mihai Jugureanu, only because his parents, Greorghe and Tudorita Jugureanu have decided to choose the freedom and came to live in the USA, where they were accepted as refugees in 1974.

The parents, now living in Chicago, Illinois, 5030 Marine Drive, have already complied with everything the Romanian laws are asking for in such cases, still until today the Romanian authorities has refused to allow the child to leave Romania and to join his parents here. No reason was ever given to explain such an unhuman attitude.

The child, left without appropriate care, still lives in very poor conditions in Bucharest, Romania, Bdul 1 Mai 151 and this case is very well known to the State Department and the USA Consulate in Bucharest.

Respectfully yours,

JACQUES GUTTMAN.

#### OUR HUNGER STRIKE

The twelve signers of this appeal declare as of May 17, 1975, a hunger strike in protest against the refusal of the Communist authorities in their native Romania to permit their spouses and children to join us in the United States. We do so after all efforts on the part of the U.S. administration and all our approaches to the diplomatic of a Communist-ruled Romania have led to no result whatsoever.

For many months, and in some cases, years, we have been forcibly separated from our families. Our wives and children are being kept as hostages to compel us to serve in this great land the unholy aims of the enemies of freedom and human decency. In so doing, the Bucharest regime remains true to its huge record of systematic and brutal denial of human rights.

There is only one recourse left for us: to bring our plight to the attention of the generous people of America and their elected representatives in the U.S. Congress.

It is our hope that by placing in jeopardy our health and endangering our very lives we shall succeed in carrying our plea to the American people and shall earn their invaluable support:

We are fasting in order to generate pressure that would induce the Bucharest government to grant exit visas to our wives and children, so that they may join us here.

We are denying ourselves food to give the lie to the claim of the Romanian Communist Regime and its agents among the Romanian of American descent that its immigration policy has been and is "relatively liberal."

In declaring a hunger strike we are also motivated by our duty:

To protest against the atheistic and marxist brainwashing to which our children are subjected in Romania from their earliest years, against the prohibition of religious education, and against the transformation of our churches and monasteries into mere tourist attractions;

To bring to the attention of the U.S. Congress the fact that the Romanian regime's consistent record of denial of human rights; its callous violation of the right of emigration and its utter disregard of the welfare of the people of Romania should preclude any attempt at granting to said regime such privileges as the Most Favored Nation's Clause of long term credits.

We are respectfully asking for your support!

Please sign our petition, write to President Ford and to your Congressman and Senator!

Remember us in your prayers:

We thank you with all our heart and assure you that we shall not sit down for any meal unless our families shall be seated with us.

#### U.S. CITIZENS AND RESIDENTS AND RELATIVES IN ROMANIA

Florin Carmocanu—wife and child, 2.  
 Zaharia Craintieuc—wife and children, 7, 17.  
 George Ghergho—wife and son, 14.  
 Ivan Goga—wife and daughter, 21.  
 Alexandru Nenu—wife and children, 10, 20.  
 Vasile Dumitrascu—wife.  
 Teodorescu Dnu—wife and children, 5.  
 Corneliu Pandeale—wife.  
 Ion Pindaru—wife.  
 George Sotirea—wife and daughter, 4.  
 Dumitru E. Velea—wife and daughter, 7.  
 Ion Olah—wife and son, 5.  
 Nicolae Chis—wife and daughter, 2.

SUNNYSIDE, N.Y., May 23, 1975.

DEAR SIR: I arrived in United States on July 10, 1974. I left Romania in March 1974 and painfully I left behind my wife, Otilia and Ovidu my son, 2½ years old.

It was a hard decision to leave the country in which I was born, but I wanted to live free and be able to offer my family a better life in a free country. Since I arrived in U.S. I was working as a technician.

In August 1974, I have been to the Romanian Embassy in Washington trying to solve my problem. Since then, I have been calling them but without any positive result.

In Romania my wife went to the Passport Office intending to put forward the necessary papers for emigration to the U.S. She was not allowed to do so, moreover, she was intimidated by Communist authorities. On April 30, 1974, she was told "there is no law in Romania to allow you to go in U.S.A. Better tell your husband to come, otherwise you will never see him."

Realizing that the Romanian Government completely ignores the most obvious human rights, I decided to join the Hunger Strike. Twelve of us are fasting in front of the United Nations in New York protesting against dictatorial regime of Romania and demanding our families. My life does not have any meaning until my dear family is here.

Respectfully I ask for your support.

FLORIN CARMOCANU.

#### STATEMENT OF ZAHARIA CRAINICIUC, BROOKLYN, N.Y.

My name is Zaharia Crainiciuc, I was born 48 years ago in Romania, and I live now in Brooklyn, York York, having escaped from Romania. I was forced to leave my wife behind, along with my son Nicolai, 17, and my daughter Maria, 7. I was forced to leave my family because of both, the lack of personal freedom under the communist regime of Romania, and the growing corruption in the Romanian society.

I was about to lose my job as truck driver for not paying enough bribery money to my supervisors, and to the people in the party organization in my department. To keep a truck driver's job over there, you even have to pay substantial bribes to the traffic policemen on your trucking route. They tried to make me pay money to get an apartment for my family. Because I did not pay, we did not get our apartment. It is ironic that the communist regime, which pretends to be on the side of the workers, actually encourages such corruption. I refused to live under a regime which uses its power to terrorize the workers and the people.

The communist authorities of Romania have extended their influence even here in Washington, D.C. When I asked the Romanian Embassy to release my wife and my children, I was threatened with the following words:

"If you do not keep quiet, you will get a bullet in your back, or a knife, which is even easier".

For a few moments, while I was inside the Romanian Embassy in Washington, I felt the same terror I experienced in Romania.

But now I am a free man and such threats do not frighten me. I believe in American freedom and democracy, and in Human Rights. I am a hard worker and an excellent mechanic, fully able to support my family and to provide my children with good education. But they must be here with me to enjoy the freedom of democratic country.

In taking part in this hunger strike to show to the American people and the American Congress that there is no legal recourse for someone to get his relatives out of Romania; that there is no other legal way for myself to get my wife and children out of Romania.

The very same people who threatened me with death here in Washington, have lied repeatedly, about the "free emigration policy in Romania", and recently they have lied again in front of the "Ways and Means" Committee, in order to obtain Most Favored Nation status, with its consequent economic advantages.

I will eat no meal, until I can eat together with my wife and children.

#### STATEMENT OF GEORGE GHERGHE, SOUTHFIELD, MICH.

My name is George Gherghe; I am an American Citizen, living in Southfield, Michigan, but born in Romania.

I left Romania in 1968, since I could no longer stand the extreme social and political oppression of the communist regime of Romania. As painful as it was, I had to leave my wife Angela behind, along with my son Dan Mihail, 14. In

January 1969 I emigrated to the United States, where I started to work for the Chrysler corporation. Currently, I am a truck driver for a trucking corporation.

Since my arrival in the United States, I have tried every legal way to bring my wife and son here, but the Romanian authorities have refused to grant them exit visas. I have made countless applications to the Romanian Embassy in Washington, to the Council of State of Romania, even to Central Committee of the Communist Party. In each case my family was denied exit visas.

I was informed by the Romanian Embassy in a written letter in May 1974 that, "you are here in the United States unlawfully, because we did not give you permission to come here."

I have also contacted Senator Edward Kennedy asking for help, but Senator Kennedy has not achieved anything positive so far with the Romanian authorities.

I am finally resorting to a hunger strike in order to bring my plight to the attention of the American Congress and the American people. The hunger strike is also my way of protesting against the Romanian authorities' lies to the "Ways and Means Committee". The Romanian authorities have claimed falsely that Romania has no emigration problem; they made such claims in order to avoid conflict with the provisions of the Jackson-Vanik Amendment and to obtain Most Favored Nation status.

As an American citizen, I would like to attest from my own sad experience, that Romania does not respect Human Rights and has, in fact, one of the most rigid emigration policies in Eastern Europe.

#### STATEMENT OF IVAN GOGA, CARTERET, N.J.

I am Ivan Goga, Romanian, 58 years old, living in New Jersey. Because of my work, I had the opportunity to go out of Romania on September 30, 1972, and I refused to go back. The Romanian communist regime could not offer me or my family an honorable life. I am not young nor looking for adventure. I have my wife Maritza and my daughter Luxandra, twenty years old, in Romania.

I was pushed out of Romania by my desire of giving my family a decent life in a free country. As soon as I arrived to this Blessed American Earth, I resigned my Romanian Citizenship. This was two years ago.

The purpose I pursue for being on a hunger strike, is the freedom of my wife and daughter from Romania, because the Communist regime will not allow them to leave.

They along with hundreds of others are kept by the Communists so that they and their party can benefit by extorting our people for the money we are willing to pay for their freedom, a "price per head" as animals.

#### STATEMENT OF ALEXANDRU NENU, BROOKLYN, N.Y.

My name is Alexandru Nenu, 48 years old, now a Brooklyn, New York resident. I was born in Romania and have lived over 30 years under the Russian imposed communist regime.

I wanted badly to escape from Romania, to be able to show the whole world what terror and oppression communism has brought to my country, what frustration I, as a worker, and my family have endured over there.

In 1973, while working for a State trucking company, I managed to escape to West Germany where I asked for political asylum, and for the right to immigrate to the United States. Even that was terribly painful, since I had to leave my wife behind in poor health, and my two sons. I have chosen to live in freedom in the United States, so that I be able to offer my sons a good education and a chance to develop as men in a free society.

But even though the communist government of Romania has signed the agreements affirming the Human Rights, even though they have stated, repeatedly, that they grant exit visas for the purpose of family reunion, they are lying and I am taking part now, in this Hunger Strike to bring these lies to the attention of both, the Congress and the American people. My own story is a testimony of the Romanian authorities' perpetual falsehood, to Congress and the American people for the purpose of obtaining the "Most Favored Nations" status.

The Romanian authorities have even extended their tentacles here in Washington, D.C., by using lies and red tape to make it difficult for me to obtain exit visas for my family.

There is no other way for me to fulfill my dream to have my wife and my two sons together with me at the same table, in the house I have planned to build

with my own hands in the little plot of land I have already bought for them in the Poconos in Pennsylvania.

I won't eat my next meal unless it will be together with my wife and my sons.

**STATEMENT OF VASILE DUMITRASCU, NEW YORK, N.Y.**

I am in hunger strike in front of the United Nations Organization building together with others eleven Romanians to show our firm protest against the emigration policies of the Dictatorial Communist Regime of Romania.

I am in the USA since August 1973 as a political refugee. It was a difficult decision to leave my country. I left behind my wife Elena Dumitrascu who lives now at 7 Nolembrie street, 28, Iasi.

Since I arrived here, I was working on having my wife join me. The American Embassy in Bucharest has notified her that she was accepted in the USA as a immigrant, but the Romanian authorities refused to grant her a passport with an exit visa. Subsequently, she was fired from her job, and left without any financial support. The Romanian Government, through its Embassy in Washington, D.C. and its agents systematically disinform the American public and the USA Congress. Unfortunately, I have to underline that my problem of family reunion is one of many thousands.

Our hunger strike is the only peaceful way, after we have exhausted all to bring to the attention of American public and the USA Congress our desperate situation and solve it.

Respectfully I ask for your support.

**STATEMENT OF DINU TEODORESCU, SUNNYSIDE, N.Y.**

Born in Romania, I am a permanent resident in the United States. I have lived almost 30 years under the imposed Communist regime of Romania. I served five years in political prisons and forced labor camps because I did not agree with their dictatorship.

All my life I struggled through frustrations and sufferings with the only hope that one day I could be a free man. I escaped from Romania in April 1973, and I was admitted in the United States, where after working hard I succeeded in starting my own business. My life cannot be complete unless my wife, Alice, and my son, Robert, 5 years, will be here. Although it was extremely painful for me, I had to leave them behind in Romania. Since the moment I have come here, I have done everything I could to get my family out of Romania in order to join me here. My wife has contacted the American Embassy in Bucharest, filled out all the necessary forms to emigrate to United States, but she could not obtain the Romanian passport with an exit visa.

Meantime, I have been to the Romanian Embassy in Washington asking for my family, but nothing has worked out so far. There seems to be no legal procedure for someone in the West to get his family out of Romania.

By misinforming the American government, Romanian authorities have persuaded President Ford to waive the Jackson-Vanik amendment. They claimed that they had liberalized their emigration policy. Consequently, Romania would receive the Most Favored Nation Status and American credits.

The truth is that Romania has one of the most rigid emigration policies in Eastern Europe.

Having no other recourse to get my family out of Romania, I started a hunger strike joining a group of eleven other people, all fighting for the same cause. We are all fasting around-the-clock on the street in front of the United Nations, drinking water and sleeping on bench chairs, in a desperate attempt to show to the American public and U.S. Congress the truth about Romanian emigration policy.

We will not sit down for any meal unless our families shall be seated with us.

**STATEMENT OF CORNELIU PANDELE, ASTORIA, N.Y.**

My name is Corneliu Pandele, a New York resident, born in Romania. All my life I wanted badly to escape from Romania because I could no longer stand the Russian-imposed communist regime, which has become more and more oppressive in the last few years. Since the communist takeover, Romania has descended to disastrous economic level, but what is really frightening about life in Romania, is that anyone who opens his mouth in criticism, faces immediate

imprisonment. I suffered 2 years in political prisons in trying to escape from Romania.

Longing for a life of freedom, I crossed the border illegally, risking my life by swimming across the great Danube River, and then walking hundreds of miles to Greece. In doing so, I made the painful decision to leave my wife behind in the fervent hope that she would soon be able to join me in the United States, where I was admitted in 1974. I am now happily working here and enjoying the democracy and freedom of this country.

But the tentacles of the communist Romanian octopus are long enough to reach me even here. When I inquired at the Romanian Embassy in Washington, D.C. about the possibilities of bringing my wife here, it was like banging my head against the wall. The Romanian Embassy refused to send the application forms needed to begin the formalities for bringing my wife over. In Romania, the communist authorities refuse also to give my wife the application forms for emigration.

As a last chance, I have joined a group of eleven other Romanian-born American citizens and residents, in a hunger strike to bring my plight to the attention of the United States government and the American people.

Even though Romania has claimed recently that they have liberalized their emigration policy, they have not. Such claims are merely lies, perpetrated in order to obtain the Most Favored Nations' Status. In truth, Romania has one of the most rigid emigration policies in Eastern Europe.

I will not sit down to eat any meal, until my wife shall be seated with me at the same table.

#### STATEMENT OF GEORGE SOTIRCA, CARTERET, N.J.

For over 30 years I lived in Communist Romania, and because of the hard life I had there, the first time I was sent out of the country I did not return. I could not live any longer in a country where the individual's rights are suppressed. My dream was always AMERICA—The Free World—and in 1972 I came to the United States as an American Permanent Resident. Since then I have been given a fair chance and worked ever since. I love this country and am proud to be an American Resident and future Citizen.

In Romania I left my wife and my seven-month old daughter in the hope of bringing them as soon as I came here; I did all possible things—I went to the Romanian Embassy numerous times, I wrote to the Romanian President (N. Ceaușescu) without getting any reply—also repeatedly I asked embassy's officials, as to what I could do to unite my family—but I have been told all kinds of excuses without any result. I also have been told that I have to clear my situation towards the Romanian government, but inquiring as to what I should do, I found there is no possible way of doing this.

Now my daughter is four years old and I am trying this Hunger Strike as a last chance—no other method has worked so far. The years are going by and my daughter is growing older and it is hard for my wife to support herself and her daughter under the harsh conditions of the communist regime.

By this Hunger Strike we are trying to say to the free world and the Romanian government that we are determined to do anything to unite our families.

Thus I would ask your kind support by signing this petition.

My daughter, my wife and I, are grateful for your support.

#### STATEMENT OF ION PINDARU, WOODSIDE, N.Y.

I, Ion Pindaru, am a refugee from Romania and a New York resident.

In 1973 I left Romania in search of a better life. A place where I can enjoy working, express my opinions in public, and worship in the faith of my parents. In short, a place where I can prosper and raise a family.

America has given me this opportunity, and I am very grateful.

However, I am terribly unhappy as my wife has not been able to join me and share my life with me. The Romanian government has not let her go.

My numerous appeals to the Romanian Government to let my wife come to me here have failed, leaving me no alternative but to go on this hunger strike.

I am determined to continue this strike until the Romanian government will understand the right of a family to reunite is one of the fundamental rights that cannot be politicized, commercialized or otherwise bargained off.

I appeal to all freedom-loving people to support me in this fight.

After all, I demand nothing more than the right to live with my wife in my adopted land.

**STATEMENT OF EUGEN VELEA, CARTERET, N.J.**

My name is Eugen Velea. I am on a hunger strike. I was born in Romania. Due to the Romanian government's increasingly oppressive Stalinist policies, I left my country in August 1973. I could not take my wife, Maria, and daughter Margaret, 7, who had to stay behind, as hostages.

For the past two years I have tried everything possible to get my family out of Romania to join me here. I only made things worse for my wife, who was blackmailed by the Romanian government into paying 30,000 lei, about \$2,500. In addition, she was forced to leave her job and is now without funds.

My wife paid the \$2,500 to the Romanian government under the promise that it would permit her to leave the country. She wrote to me, then telephoned, to explain why she needed the money and I was very happy to send it to her, hoping that we would soon be reunited. I had forgotten, however, that the Communists never keep their word. I am not alone in this. Others have had the same experiences. That is why we are on this hunger strike. We shall continue as long as we are able, as a last chance of gaining the release of our families out of Romania.

We are respectfully asking for your support!

Please sign this petition. Write to President Ford and to your Congressman and Senator. Thank you!

**STATEMENT OF OLAH IOAN, NEW YORK, N.Y.**

I left Romania on May 20th, 1972, leaving my wife Ema-Elisabeta Olah and my son Ladislau-Edmond behind. I arrived in the U.S.A. in October 1973, and I hoped that my wife and my son would be able to join me some time soon. I preferred to live for a time separated from my family, than to go on living in a country with a communist regime, which deprives men of every human right.

My wife is living in Timisoara, a town near to the border. Soon after I left the country she was walking on the street one day, toward the house of her parents, which happens to be not far from the border. She was taken by the Romanian Police and put to jail for a whole year. She was accused of intending to cross the border fraudulently.

Since I have arrived in America I have tried every possible way to help my wife and my son, who is five years old, to join me here, where we could live in happiness and freedom. Nothing has worked so far!

I have started this Hunger Strike, because I consider that it is my only chance left to see my wife and my son again. I realize that this action could be fatal for me, but I am determined to do everything possible to free them from under the communist terror!

Would you like to help a child to get to his father and a desperate young woman to join her husband?

**STATEMENT OF NICOLAE CHIS, NEW YORK, N.Y., MAY 30, 1975**

I am a political refugee from Romania. I left Romania because the life became unbearable. I wanted to live in a democratic country and not under a Communist dictator. It had been a hard decision because I love my country and especially because my wife and my daughter were left behind.

The Communist regime of Romania signed the Human Rights Declaration at the United Nations Organization, but methodically they violate it. Here is one example: the Romanian authorities refuse to grant a passport with an exist visa to my family. My wife, Eugenia Chis and my daughter Aurelia, 2 years, want to come here. They live now in Constanta, Stefan Cell Mare Street 7.

Together with twelve other free Romanians, I am on hunger strike in front of the United Nations building to show to the free world our protest against the emigration policies practiced by the Communist government of Romania. Our cause is a right one because the reunion of families is a most elementary human right. The family is the cell of society.

I ask for your support to bring my wife and my daughter here. We are united by God and we love each other.



CHICAGO, ILL., June 1, 1975.

Hon. MICHAEL STERN,  
Staff Director, Senator Finance Committee, Washington, D.C.

DEAR SIR: Knowing your respect for human rights and individual liberty, your love and consideration for your family and for all families. I would like to let you know the following:

I am Alexandru Ionescu Lungu, artist, sculptor of metal and jewelry; Political refugee from Romania; Degreed in Arts and Philosophy—Magna cum Laude; at present Art teacher at Central College, YMCA, Chicago.

My family and I were persecuted politically, professionally and socially in Romania beginning with the year 1947.

I was arrested for political reasons and imprisoned without a trial, from 1958 to December 1960, returning a sick man.

The Romanian Authorities permanently refused me the right to visit foreign countries accompanied by any member of my family. It is incredible that in the 20th century, a man of Art and Culture, whose works have been exhibited in different parts of the world, can't see the world with any member of his family.

For this reason, I asked for and received political asylum in Austria on the 25th day of September 1973. I entered the United States of America legally on April 30, 1974.

My family, consisting of my wife, Maria Nina Ionescu Lungu, my son Dan Alex. Ionescu Lungu, 18 years old, and my mother Ecaterina Ionescu Lungu remain in Romania (in Bucharest, Sector 3, STR. Austrului 48, Apt. 6) unable to follow me due to the fact that the Romanian authorities refused their request to leave the country.

I renounced my Romanian citizenship and also, many times asked the Romanian authorities to approve my family's exit from Romania.

I agree that good relations appear to exist between Romania and the U.S., but I urge you to stress affirmation of the principle of reunification of families which is a principle that the U.S. Senate has always reaffirmed. I feel very strongly about this since my family and I have been inhumanely separated not once, but twice.

Having done all in my power to save my family, I beg you to help me to obtain approval for them to leave Romania so that we may all be together on free American soil.

I am convinced that you will understand my feelings and help me.

Thank you very much for your help.

Very respectfully,

ALEXANDRU IONESCU LUNGU.

SKOKIE, ILL.

Mr. MICHAEL STERN

Senate Finance Committee, Dirksen Senate Office Building, Washington, D.C.

DEAR SIR: I am acquainted with Mr. Alexandru Ionescu Lungu, in Chicago, Illinois where I reside. As he has informed you in previous letters, Mr. Lungu was granted political asylum in Austria, after getting out of Romania. In April 1974, Mr. Lungu entered this country. The Romanian government has refused to allow Mr. Lungu's family, consisting of his wife, Maria Nina Ionescu Lungu, his 18 year old son, Dan Alex Ionescu Lungu and his mother Ecaterina Ionescu Lungu to join him in this country.

I urge you to do all in your power, during the ratification of the commercial trade agreement between Romania and the United States to stress the principle of reunification of families. It is unfair, in fact inhumane, to allow families to be denied the right to be together. Mr. Lungu feels deeply the separation and fears for the safety of his family. It is in the interest of all Americans, as well as all this country stands for, to help Mr. Lungu in his attempt to be reunited with his family in the United States.

Sincerely,

SHERRY GRADITOR.

CHICAGO, ILL., June 4, 1975.

Hon. MICHAEL STERN,

Senate Finance Committee, Dirksen Senate Office Building, Washington, D.C.

DEAR MR. STERN: I met Mr. Alexandru Ionescu Lungu of 1637 W. Fargo Avenue, Chicago, Illinois 60628, while he was teaching a metal sculpture class at the Central YMCA, in Chicago, where I was his student. I found him to be not only an excellent artist and teacher but a sensitive human being as well. He is someone I am glad is in the United States, the country of my birth.

He came to this country as a political refugee from Romania in April of 1974. His wife, Maria Nina Ionescu Lungu; his son, Dan Alex. Ionescu Lungu, 18 years old; and mother, Ecaterina Ionescu Lungu are still there living at Str. Austrului 48, Apt. 6, Sector 8, Bucharest, Romania.

It makes me sad to think that this country cannot do all in its power to bring these three people to the United States to make the family complete once again.

I beg you to do all you can during the ratification of the commercial trade agreement between Romania and the United States to emphasize the principle of reunification of families.

Thank you;

CHERYL SOPICKI.

TESTIMONY OF DUMITRU D. MARIN, M.D., PRESIDENT OF THE PARISH COUNCIL OF THE ST. DUMITRU ROMANIAN ORTHODOX CHURCH OF NEW YORK CITY

My name is Dumitru D. Marin. I am a medical doctor and the president of the Parish Council of St. Dumitru Romanian Orthodox Church of New York City and a member of the American Romanian Committee for Assistance to Refugees (ARCAR).

I am a native of Romania, where I have lived till 1969. The daily life of Romanians not involved in Communist politics are as follows:

(a) There is a constant stream of exposure to Marxist, anti-religious, anti-American capitalism brainwashing from radio, television and newspapers; at compulsory meetings at work, in school, universities, professional societies; in movies and the theater.

(b) Constantly underfed, workers have to work a six-day week at a pace steadily rising by increased production quotas under so-called "socialist competitions." The five-year plan has to be fulfilled in four years, so one year workers don't get paid. After work almost every day workers have to attend a variety of meetings before dinner, i.e. production meeting, union meetings, or "voluntary work."

(c) There is permanent lack of food money. The average salary is 1,100 to 1,500 lei a month, about \$100-130. A chicken costs 90-110 lei. Rents have doubled. The agricultural production cooperatives pay a peasant for a day's hard work the value of a few pieces of bread.

(d) Workers are forever afraid of raw materials shortages, emanating from poor organization, with resulting loss in wages.

(e) Workers suffer constant fear of being laid off because of reorganization, or poor political records. There is no unemployment compensation (unemployment in Romania can take many forms) nor medical assistance. And a poor political file may make finding another job impossible.

(f) The people feel increasing bitterness about government investments, which benefit the Party and the other Communist block countries, but not them. As industry acquires more technical machinery the country's living standard gets worse. Machinery and butter amounts to, finally, machinery.

(g) Workers lose daily two, three hours in food queues at continuously rising prices. There has been a critical food shortages for the last 30 years.

(h) A severe housing shortage forces families to live with their children in one room within an apartment shared by other families. Many cannot get married, or separated because of the chronic housing shortage.

(i) The permanent state surveillance causes a lack of privacy in people's lives.

(j) There is fear to avow publicly a believe in God, to refrain from going to work on Christmas, give donations to the Church, own or lend Bibles or other religious books. Thirteen people were recently arrested for this. (see enclosed list #1). For statements about religious persecution in Romania, please refer to Rev. Pastor Richard Wurmbrand, who was 14 years in Communist prisons.

The Orthodox Romanian Archimandrit Roman Braga who was tortured in Pitesti Political Prison, as were the other prisoners. The Rabbi Dr. David Safran, persecuted by the Red Chief Rabbi of Bucharest, Rosen Moses (see enclosed list #2).

(k) People suffer from constant fear of being sentenced to prison, with every word, gesture suspect; the "Security" police (special Communist secret police), the "Militia" (Communist police), the Party's organization (at work and at home), "unions," (disguised as Communist organizations), various "activists,"

and other spies disguised as friendly neighbors, etc., always watching. Romania's political prisons are full of thousands of innocent people subjected to savage torture.

(l) People are afraid to have more children whom they cannot guarantee proper nourishment and spiritual development. Abortion is illegal and severely punished. There are no birth control pills, or other contraceptives available.

(m) Fear of the new Draconian laws, with new rules every day.

(n) Fear of being forced to join the Party, and the permanent dodge without losing one's job.

(o) Fear of receiving inadequate pensions, on which they can hardly survive. For example, after her husband worked hard all his life, a widow gets about 230 lei (the cost of two hens) a month.

(p) Fear of mail censorship.

(r) There is no freedom of the press, and no right to strike.

Although the Romanian government signed the Universal Declaration of Human Rights, there is no emigration from Romania. Exceptions were a few Romanians, plus Romanian citizens allowed to leave on ethnic grounds such as German, Jews and Greek Romanians, and they had many difficulties. The others leave illegally, risk being shot or caught at the border, and leaving their families behind as hostages. If they are caught, they are sentenced to prison.

Today there are 13 men on a hunger strike in front of the United Nations to get their families out of Romania. (see enclosed list #3): Almost all the refugees of the last decade had similar problems. ARCAR has a list with 256 names of those wishing to join relatives here. There are more throughout the USA. The Romanian Embassy in Washington makes false promises. Frequently they issue passports on ten-year periods for working abroad. This way, they are trying to control Romanian refugees abroad. Often they ask them to become agents. In addition, Romania sends agents in various disguises, sometimes as priests. We would like to respectfully ask your Committee to ask the Romanian Embassy to stop infiltrating their agents among the community, and have their representatives pretending to be refugees appear before you and give false testimony, trying to mislead the Senate about the real situation in Romania. We suggest to have these "witnesses" backgrounds checked for their real identity, so they stop undermining the Romanian community and the Romanian Episcopate of America.

We would like to ask to help families reunite.

There is no liberal emigration policy in Romania as long as there is no emigration.

To win a Trade Agreement, the Romanian government should cease its ongoing Communist propaganda in the USA, and its infiltration among the Romanian community.

We would like to see free emigration from Romania for all.

#### LIST NO. 1

1. Moise Matei, pensioner, from Timisoara, Baptist
2. Vasile Moisescu, professor, from Arad
3. Simion Cure, Baptist preacher, from Arad
4. Iosif Ton, Baptist Pastor, from Ploesti
5. Silviu Cioata, doctor, from Ploesti
6. Aurel Popescu, engineer, Baptist, from Bucharest
7. Aurel Cafengiu, professor, from Bucharest
8. Viorel Deac, doctor, Orthodox, from Bucharest
9. Elna Rascol, chemist, Pentecostal, from Bucharest
10. Victor Rascol, pensioner, Pentecostal, from Bucharest
11. Vasile Gaspar, pensioner, Pentecostal, from Bucharest
12. Florea Padeanu, pensioner, Baptist, from Bucharest
13. Pavel Nicolescu, Baptist Pastor, from Bucharest

#### LIST NO. 2

1. Pastor Richard Wurmbbrand, Box 11, Glendale, California.
2. Archimandrit Roman Braga, The Romanian Orthodox Episcopate of America 2522 Grey Tower Road, Jackson, Mich.
3. Rabbi Dr. David Safran, Tel Aviv, Israel.

## LIST NO. 3

## U.S. CITIZENS AND RESIDENTS AND RELATIVES IN ROMANIA

1. Florin Carmocanu—wife and child 2.
2. Zaharia Crainiciuc—wife and children, 7, 17.
3. George Gherghe—wife and son, 14.
4. Ivan Goga—wife and daughter, 21.
5. Alexandru Nenu—wife and children, 10, 20.
6. Vasile Dumitrascu—wife.
7. Teodorescu Dinu—wife and child, 5.
8. Corneliu Pandeale—wife.
9. Ioan Pandaru—wife.
10. George Sotirca—wife and daughter, 4.
11. Dumitru E. Velea—wife and daughter, 7.
12. Ioan Olah—wife and son, 5.
13. Nicolae Chis—wife and daughter, 2.

RIVERDALE, N.Y., May 7, 1975.

To: THE COMMITTEE ON FINANCE (Agreement with Romania):

Gentlemen, One of the millions of Romanians who has been denied a passport to enter a free Western Country for a temporary period of time, is my friend Mr. Anton-Marius Hentz, an engineer, residing in Bucharest, Bulevardul "Gheorghe Gheorghiu-Dej" No. 24, 2nd floor, Apt. 22. He is 56 years old, medically disabled, suffering from a serious liver illness, which requires investigations and medical treatment. He has applied for a passport to go abroad for treatment repeatedly. "ALL" of his applications were rejected.

Through this petition I am asking for your humanitarian support in order to help my friend obtain a passport to come to the United States of America so that he may obtain the medical treatment he requires.

I will take full responsibility for all of the medical expenses he may incur while in the United States and will also fully support him during his entire stay in the U.S.A.

DUMITRU D. MARIN, M.D.

STATEMENT OF MR. BARBU NICULESCU, SECRETARY GENERAL OF THE  
LEAGUE OF FREE ROMANIANS

SUMMARY

Mr. Chairman and distinguished members of the committee: 1. The Romanian foreign policy, a policy of independence and cooperation with all states has been widely recognized in the United States as elsewhere as a contribution to world peace and friendship between all nations.

The political basis of relations between Romania and U.S.A. is good and quite adequate for a sustained expansion of their economic cooperation. There is no pending bilateral issue between Romania and the United States, with the exception of the MFN clause.

It has been sometimes said that the question of the MFN treatment is for the socialist states more a question of a political nature, or purely a matter of prestige.

Insofar as Romania is concerned the above mentioned assertion is certainly not correct. The question of receiving MFN treatment from U.S. is of paramount economic and political importance to Romania. It is not an issue solely of principle, i.e., the desire to be treated on an equal basis with most other countries. It is, in fact, a matter which is of utmost importance to Romania for political and economic reasons. Should Romania receive MFN treatment, Romania would be able to export more merchandise to the United States and, as a consequence, have more dollars to purchase needed U.S. technology as well as United States goods which are needed for Romanian economy. As an example of the economic importance of the MFN issue for Romania it should be mentioned that:

Two-thirds of exports are affected by the present discriminatory tariffs. For instance, the dollar-worth of Romanian export on the U.S. market in 1974 (\$83

millions), could have been 20% greater, had Romania enjoyed an equal tariff treatment.

A great part of Romanian export-products are practically prohibited from entering the U.S. market because of the present tariffs. To mention only a few products which are in demand here: petrochemical products (plastics, synthetic fibres, fertilizers), canned beef, vegetables and fruits, bicycles, railroad equipment, lighting fixtures, furniture, handicrafts, are falling within this category.

There are certain Romanian products which are imported in large quantities in the U.S. from other sources and are regular items on the Romanian export-lists to many countries. Based on actual negotiations with potential American customers, contracts could have been concluded but they did not come to fruition because of the higher discriminatory tariffs.

Receiving MFN would also permit Romania to maintain closer economic ties with the United States and thereby relieve her of the necessity of having to go to other markets in the world. It is also clear that Romania is pursuing a policy of independence and the granting of MFN by the United States would play a significant role in these policies.

It is in the American interest to encourage this independence, which will contribute to our policy of détente and our goal of reducing East-West tensions.

Therefore the existence of the MFN treatment is the first condition for a stable, durable and expanding economic relationship between Romania and the United States.

Of course the MFN treatment should not be conceived as a universal panacea which, like a magic wand, will lift all the difficulties, will settle all the issues of the Romanian-American economic relations. In a sense MFN is only a beginning but without it one cannot even start in earnest.

2. The Volume of trade between the two countries reached in mid-1975 approximately 400 million dollars.

Percentage-wise the growth is impressive as compared with the previous years. However in absolute figures the volume remains well behind what a sound political and economical analysis would suggest.

The United States occupies only 2-3% in the Romanian foreign trade. It is estimated that a more reasonable figure would be a minimum of 6-7%.

The Romanian-American Economic Commission assessed, during its first meeting in Bucharest in April 1974 that a realistic figure of the Romanian-American trade should be one billion dollars by 1980, assuming of course, that the artificial barriers still interfering with this trade are lifted now.

What are the most likely imports of Romania from the United States? They could be divided in two main categories: high-technology industrial equipment and raw materials.

Automation, data processing and electronic equipments, measure and control devices, machine-tools, mining and earth-moving equipment, foundries, licenses and technology and some equipment for new types of synthetic rubber, herbicides and fungicides, dye-stuffs, photo-sensitive material are the main items making up the first category. Coking coal, cotton, hides, some types of cellulose, phosphates, are mainly on the Romanian shopping list insofar as raw materials from the United States are concerned. Romania is interested in long-term contracts capable of assuring a stable supply for the Romanian industry in the years ahead. This is the reason why, for instance, she is prepared to invest in a joint venture in the United States to operate a coking-coal mine.

3. Romania's determination to enter into a stable cooperative relationship with the United States, as well as with all the other states of the world, irrespective of their social and economic system to actively and constructively participate in the world community is underlined by the Romanian Foreign Trade Act of 1971 allowing for equity-type participation in domestic enterprises by foreign investors. Already five joint companies including a Romanian-American one (the American partner being Control Data Corporation) are operating in Romania. At the same time Romania has issued regulations permitting U.S. and other foreign firms to open their own offices in Romania.

Romania is negotiating joint ventures with American and other western companies in other countries than Romania especially in the developing world (Asia, Africa or Latin America).

The advantages of the joint ventures with the Romanian industry are twofold.

First although Romania is still a developing nation, it has experience and expertise in a few significant fields like oil and oil equipment, mining, agriculture. Romania disposes of a stable skilled labour force readily available under

favourable terms. Above all, Romania offers political and economic stability which is an increasingly important asset in the modern world.

At the same time the joint ventures with Romania a socialist but at the same time a developing nation could set a precedent not only for a positive relationship in the sphere of East-West cooperation but also for the North-South dimension of the present effort to build a better, more stable world economic order.

4. Romania's effort to involve herself in the international effort to solve the world economic problems is further illustrated by her joining the GATT, the IMF and the IBRD (World Bank).

5. The United States and Romania signed a Trade Agreement on April 2, 1975 which represents a key to full normalization of U.S.-Romanian economic relations in light of the above. It is the first such agreement to be concluded under the provisions of the Trade Act of 1974. In accordance with the provisions required under that Act, it includes MFN treatment for Romanian goods exported to the United States. The agreement is designed to give further impetus to improve U.S.-Romanian political and economic relations. It will also foster additional American exports to the growing markets of Romania.

This Agreement at the same time, can play a significant importance to the future U.S. role in East-West trade. Furthermore, the agreement could have a major precedent value for other socialist countries proving that based on mutual respect, equality, non-interference in domestic affairs, in the spirit of mutual understanding and goodwill, agreements between nations, meeting the interests of all parties can be reached.

6. It has been said that from an American viewpoint the value of the good Romanian-American relations lies, among other things, in the example this relationship could set for the relations between a great power and a small or middle sized state, between a socialist and a western nation, between a developing and a developed country.

The development of the political relations between the United States and Romania have been from the above-mentioned viewpoint successful. But the major test of the example-value of the Romanian-American cooperation remains the economic field. And from that standpoint the entering into force of the trade agreement is crucial.

I am convinced that the Romanian Government will work honestly with us to solve the humanitarian problems alluded to in the President's report and that we will see early evidence of this.

Further, the Congress as well as the President, will have an opportunity to review this waiver next year and under the law can decline to approve a further extension of MFN treatment if it concludes that the waiver is unwarranted.

It is important also to note that while this agreement will benefit our political relations with Romania, and the objectives of our overall foreign policy, it is also a balanced agreement economically, and it is with this understanding that I submit my statement to you for your approval.

Thank you, Mr. Chairman. I would be pleased to try to answer any questions.

#### STATEMENT

MR. BARBU NICULESCU of 6 East 80th Street, New York, N.Y., 10021, considering the MFN for ROMANIA, states:

Mr. Chairman and Distinguished Members of the Committee:

In recent years our relations with Romania have progressed very satisfactorily. There have been visits by the heads of state of the two countries and by other ranking officials. A variety of political, cultural, scientific and economic ties has been developed.

At the heart of this process are certain American-Romanian shared interests. The Romanian position in Eastern Europe is a special political one. Romania pursues an independent policy line, seeking to improve relations with developing countries and the West, especially with the United States of America.

I believe it is in our interest to encourage this independence. I also believe it is in the American interest to have U.S.-Romanian relations, which will contribute to our policy of detente and our goal of reducing East-West tensions.

Accordingly, a number of steps have been taken by our two countries to develop closer economic relations. United States have extended the facilities of the Overseas Private Investment Corporation and the Export-Import Bank. They were withdrawn as required under Section 402 of the Trade Act of 1974,

but it is anticipated to be restored soon. U.S. have supported Romania in the negotiations that led to its participation in the GATT, IMF and World Bank. Romania, by the way, is the only COMECON country to be a member of the latter two institutions. Moreover, it leads the other COMECON countries in the proportion of its trade that it conducts with the West.

United States trade with Romania over the last three years has run 2 to 1 in our favor, reaching a total of over 400 million in mid-1957. U.S. major imports from Romania were mineral fuels and lubricants mainly and other miscellaneous manufactured articles, in spite of the American discriminatory tariff.

The two-way commerce has grown from \$22 million in 1968 to over \$400 million in mid-1975. This favorable ratio for America indicates the strong Romanian demands over the years for U.S. goods, despite the fact that Romania has not enjoyed MFN treatment. If we now do not remove our discriminatory treatment of Romanian goods we could not expect this favorable trade situation to continue. But with non-discriminatory tariff treatment, I am confident that their target for 1980 mentioned in the economic agreement will be over one billion increased and that a favorable trade balance will continue. Even their desire to go into joint industrial ventures, mentioned in this agreement also means an important U.S. export potential.

It is important also to note that while this agreement will benefit our political relations with Romania and the objectives of our overall foreign policy, it is also a balanced agreement economically, and it is with this understanding that I submit my statement to you for your approval.

I, therefore, urge your strong support for an improved and expanded commercial relationship between our two countries as provided in the American-Romanian trade agreement. It is the first concluded under the Trade Act of 1974. Thus, your approval would demonstrate that the Congressional amendment introduced by Senator Henry M. Jackson and Representative Charles A. Vanick, is workable.

The President of the United States has signed a commercial agreement with Socialist Republic of Romania as a test, that it is possible that a Socialist Republic is willing to accept an American Trade Bill, approved by the Congress, which includes these restrictive clauses.

If the Senate will refuse the MFN treatment to Romania, the Soviet Union and the other communist countries will prove to Romania that they were right.

I believe that your approval of MFN treatment for Romania will encourage her in time to become more liberal, and not to create another crisis like Czechoslovakia. One should not forget the geographical position of Romania.

The U.S. efforts, therefore, to accommodate the Soviet Union and Romania are different in form and in substance, because the Soviets renounced to the trade agreement with the U.S.A. last January because of the direct linkage between accordance of non-discriminatory trade terms and the American request of freer emigration policies, which is not the case with Romania.

I have good reasons to believe that the Romanian Government will work honestly with us to solve the humanitarian problems alluded to in the President's report and that we will see early evidence of this.

Further, the Congress as well as the President, will have an opportunity to review this waiver next year and under the law can decline to approve a further extension of MFN treatment if it concludes that the waiver is unwarranted.

When the Soviet Union renounced its trade agreement with the United States, Bulgaria, Hungary and Czechoslovakia quickly aligned themselves with the Soviet position. Romania, however, concluded a trade agreement with the U.S., because President Ceausescu is determined to remain a totally, not partial, sovereign state with no foreign troops in the country.

But all these facts do not mean that Romania will not maintain and keep a friendly relation with all Warsaw Pact members, especially with the Soviet Union, and will honor all her obligations with them, as long as it is in the best interest of Romania. And this is what U.S.A. wants.

I believe that in a political sensitive position like this, the United States of America is more willing to act through quiet diplomacy, which is more likely to contribute to our objectives than to attempt to change the internal policies of other governments through our domestic legislation.

Romania chose to agree, in contrast with other communist countries, because the U.S. Government believes that the understandings reached between these two countries fully satisfy the latter and the spirit of the Act. I believe that the

President's Report to the Congress, which gives him the right to waive Section 402 of the Trade Act will meet the needs of both countries.

In this regard I would urge the Finance Committee to assess Romanian emigration practices by deeds in the past and in the future. This will be the real test by which Romania should be judged.

Since 1965, even before the question of MFN treatment, Romania allowed to go to Israel about 400,000 Jews, because they were persecuted by Hitler, 8,000 Germans a year to West Germany out of about 380,000 because they were persecuted during the Stalin era, which makes even the object of Romanian press attacks, and about 50,000 Greeks; only a few remained in Romania and chose the Romanian citizenship.

Visiting newsmen here viewed President Nicolae Ceausescu's decision to conclude the trade agreement as a new proof of his determination to keep Romania totally independent.

As far as the Romanian citizens are concerned, it has been announced that a first number of 80 applications are processed to join their families in the United States.

If the lasting world harmony which the American people are seeking, voiced many times by their President, through diplomacy and understanding and not through confrontation, international understanding must be increased through an expansion of cultural, social and economic collaboration among all countries. Romania was one of the first to seek the friendship of the United States, and in my opinion a maturing of this relationship will be rewarding to both countries.

While not always agreeing with other countries, I believe that with Romania we have a mutual interest in maintaining and expanding good relations. And now is the moment. I believe it is in the American interest to encourage and support economically the independent foreign policy of Romania, and I believe this M.F.N. treatment will foster that objective. I also believe that beyond these measurable economic returns lies a broader political dividend which I feel strongly should be pursued.

Because of the significant opportunities on the export side, the necessary safeguards on the import side and the general economic and political benefits of improved relations with Romania, I most sincerely urge you to endorse this trade agreement and thus further our implementation of the Trade Act of 1974 on this positive note.

I trust that you will give very serious consideration to the granting of M.F.N. treatment to Romania, a long overdue step, which was promised by the American government for a long period of time.

Thank you, Mr. Chairman.

THE LEAGUE OF FREE ROMANIANS,  
New York, N.Y., May 20, 1975.

Mr. JOHN M. MARTIN Jr.,  
Chief Counsel, Committee on Ways and Means, U.S. House of Representatives,  
Longworth House Office Building Washington, D.C.

DEAR MR. MARTIN: In view of the fact that when I was invited to testify in person in front of the Subcommittee on Trade on May 8th, 1975 I was allowed only a short time to testify about the Romanian Province Transilvania. I therefore would greatly appreciate your graciousness to include in the Congressional Record also the attached elaboration of the questions put to me by the Subcommittee about Transilvania.

Thanking you in advance, I am

Gratefully yours,

BARBU NICULESCU,  
Secretary General, of the League of Free Romanians.

Mr. Barbu Niculescu answers to some wrong historical allegations made before the Subcommittee on Ways and Means Committee by other witness before him.

1. The Romanians are natives of Transilvania even before the Roman occupation. At that time it was called DACIA whose ruler was KING DECEBAL and the Capital was called Sarmisagetuza.

At the first appearance of the Hungarians on that territory, at the beginning of the Tenth Century, the Hungarians had to confront the opposition of all the Romanian Principalities. This fact was confirmed by the Hungarian documents (CRONICA GESTA HUNGARORUM).



At that time, Transilvania was not part of Hungary during the reign of "Steven the Saint", around the 10th century; that is why its name then was *Ultrasilvania*, *Transilvania*, *Erdeelu* (the land beyond the woods).

The conquering of Transilvania was recognized at the beginning of the 13th century.

During the Middle Ages, Transilvania always had the same political organization specific to the other Romanian Principalities called "Voivodate."

The claim that "Transilvania belonged to Hungary for a period of a thousand years", is false and was publicized by the Hungarian Iredentistical historiography, which does not correspond to real history.

From the beginning of the 13th century until 1526 Transilvania was possessed by Hungary, preserving the political name of VOIVODAT (Romanian name), parallel with a Hungarian administration called "DIETA". During this period a Romanian family ruled Transilvania called "HUNIAZII".

After 1526 Hungary was completely divided, and in 1540 most of it became Turkish provinces whose Capital was BUDA. In this way Transilvania became an independent Turkish Principality, with the same political status as the Romanian Principalities. In 1600 was realized the first political union of the other Principalities under the Romanian ruler "Michael the Brave".

In 1688 Transilvania was incorporated in the Habsbourg Empire (and not Austro-Hungarian as was erroneously stated). The Imperial Declaration of 1691 recognized the distinct position of Transilvania toward Hungary and its independent political organization in the Habsbourg Empire. In the following century followed the creation of the first Romanian military units from Transilvania (the border regiments) which were victorious in the Italian and Austrian war with the French armies of Napoleon.

The efforts of KOSSUTH government (1848), to include Transilvania to Hungary were defeated by the Romanian military success. Transilvania was attached to Hungary only by the dual-act of 1867 when the Austro-Hungarian Empire was created.

But this situation lasted only until the 1st of December, 1918, when the Romanian National Council and the general assembly of Romanians from *Alba Julia* in Transilvania had adopted the reunification with the mother country, Romania.

At that particular time the Royal Romanian armies were not present in Transilvania.

The peace treaties after the first World War and especially the TRIANON Treaty of Peace, signed on June 4th 1920 did not affirm the situation mentioned before. Therefore, the statement that Transilvania belong to Hungary over 1000 years has no historical support. Not even the Royal Kingdom of Hungary did not have an existence of a thousand years.

2. The Hungarian population in Romania of 2.5 million, stated before, is exaggerated. Only in 1974 reached the highest number of 1.797.000 Hungarians, which grew up in proportion to the rest of the Romanian population over the years.

3. The problem of historic archives, due to many wars, political changes, suffered enormously. Major documents disappeared, others were purposely burned, fact which is not valid for Romania, but also for Hungary. Any foreign historical researcher has free access to all the Romanian archives, including the American historians, to establish these facts.

4. In 1919 has been formed BABES BOLYAI, at CLUJ-NAPOCA the Romanian University of CLUJ with Hungarian professors and students, as well as Romanians and Germans. This University, although built by Romanian, preserved large departments for the Hungarian and German languages and literature.

Many of the present Hungarian professors from the Romanian University of Cluj were sent between the two world wars by the Romanian Government to study abroad, such as Historian BODAR who was sent to OXFORD, Historian FRANCISC PALL studied at PADOVA and BERLIN, the World-renowned biologist, etc.

During the recent occupation of Northern part of Transilvania, given to them by HITLER, this Romanian University was moved to Sibiu, and went back to Cluj only after March 6, 1945, after the Second World War, when the Northern part of Transilvania was returned to Romania.

The reunification of the two Universities, the CLUJ and BOLYAI, was not "forced", as it was claimed. It was a necessary union, the BABES-BOLYAI University, better equipped to insure a better education for the students of all minorities. This was also the case with the TG-MURES of three educational institutions.

5. The education only in the Hungarian language, especially in the field of science, in the field of nuclear physics and electronics, would have had limited the progress of the students; in Cluj there is only one laboratory, while in Bucharest are the majority of these laboratories.

Referring to the statements made by Professor PASCU, presented to the U.S. House of Representatives, the situation is not characteristic only to the University of CLUJ, but also to other Universities, as a practical solution for the Romanian interests. This is not a process of Romanization of the educational institutions; it is only in the interest of specialization of all students, of all minority groups. This is why the teaching language is Romanian, because when the students become professors they will be sent to teach in the Romanian schools and Universities, not only to their minority groups.

Romania has many Hungarian Deans at different Universities, like Gheorghe PUSCAS, Professor E. SZILAGY and Professor JANOS LOPOHOS.

6. The performance of the Examination Commissions is done in the Romanian language, obviously, because the major language in Romania is the Romanian language. A local university can not prepare specialists in different fields only in their native language, when after graduation they are distributed all over the country, where needed, and where students speak only Romanian.

7. Therefore, through this kind of repartition Romania does not perform an action of discrimination. It is only aimed at the way in which the Country can profit best the interests of national education.

8. The Romanian Law for education provides grammar schools for every locality in the country where at least six or seven pupils of minority groups live. In the field of higher education, the system changes where it is required one professor for each field of education, where they teach in Romanian. The same system is also applicable in the districts where the Hungarians are in majority; they are allowed to teach in the Hungarian language. Therefore the Romanian system of education is very liberal, not discriminatory.

On the other hand, in the economic field, or chemistry, engineering, etc. the language is Romanian, as well as other foreign languages, because, if trained only in the Hungarian language, the field of chemistry, business, etc., the field of activity of these specialists will be drastically reduced to a small number of Hungarian speaking language.

The same process is valid in the U.S., where the U.S. Congress supports it. This leads to the development of the individual, to the union of national groups for the benefit of the whole American Society.

JUNE 4, 1975.

Mr. MICHAEL STERN,  
Staff Director, Senate Finance, Committee, U.S. Senate, Dirksen Senate Office  
Building, Washington, D.C.

MR. STERN: We do hereby protest the denial of basic human rights: Mrs. Doina Vircol cannot be re-united with her husband, Alexis Vircol, of Bucurest, Romania; Mr. Alexandru Ionescu Lungu cannot be re-united with his wife, Ionescu Lungu Maria, his son, Ionescu Lungu Dan, and his mother Ionescu Lungu Ecaterina, all residing in Bucurest, Romania.

We suggest the U.S. government seriously consider the curtailment of all existing trade agreements with the Romanian government until such time as this basic human rights issue is resolved.

Thank you for your time in reading and attending to this most important matter.

Sincerely,

THADDEUS J. PATYNA,  
MARY M. PATYNA.

Enclosures.

Hon. RUSSELL B. LONG,  
Chairman, Finance Committee, New Senate Office Building,  
Washington, D.C.

DEAR MR. CHAIRMAN: My name is Aurelia Popa. I escaped from Communist Romania and entered the United States of America on May 24, 1967. As an American citizen I protest the denial to appear as a witness to testify at the Senate Finance Committee hearing on June 5 and 6 of this year regarding the proposed trade agreement with Romania. This hearing has a vital importance

to me. Its importance is directly significant to the long 9 years of separation from my only son who remains trapped in Romania obviously due to my escape.

Please allow me to explain briefly my reasons for leaving Communist Romania and try to illustrate the situation in Romania as it actually exists.

Six months prior to my departure from Romania I was serving as chief pharmacist in pharmacy #98. I, nor any member of my immediate family was a member of the Communist party. During the course of an internal audit a container of natural gas was discovered missing. In Romania, by law is a punishable crime with a sentence of 5 years in prison for stealing such an object and I as chief pharmacist was directly responsible for all equipment and materials.

Only because of my outstanding record and achievements I was permitted an internal investigation to try and uncover who actually did steal the container. All of this of course, with the constant harassment and threat of jail to come.

After 6 months of suffering, an assistant pharmacist admitted to the fact. The person who stole the gas container was married to a member of the Communist party and also was serving as a police officer. Because of this fact she received no punishment at all. Had this person not surfaced, I would have been locked for God knows how long.

The fear of their retaliation for the aforementioned event was overwhelming for me to continue to exist in Romania.

2. A second example is my husband who graduated as a lawyer in Bucharest. During Stalin's era he was not permitted to practice law because he was not a member of the party. After Stalin died he was admitted but constantly harassed. They would allow him to practice law then revoke his rights, ever constant in their efforts to prevent him from earning a living.

A case that my husband was working on, in the supreme court had to deal with a client who was accused by the police of speaking out against the Communist party. The outcome was that the client was truly innocent and proven so and set free, but because my husband had defended him he was publicly ousted and disgraced.

3. A third example is my only son. He has been expelled from medical school after 4 years with no apparent or justifiable cause. The doors of education have been closed to him forever in Romania.

For many years now I have tried every legal way possible to have my son given permission to come to the United States, but they always have found some way of delaying the event. I payed \$201 to renounce the Romanian citizenship, after one year of waiting I still do not have the answer. Please ask the Romanian ambassador why, and also why a registered letter sent by me with a formal invitation was never received by my son. For your information please find a copy of the receipt.

As long as the Romanian Government does not agree to the release of my son and generally to the release of the children and parents of the children related to American citizens or political refugees of Romanian descent, Comrade should cease with these tyrannical governments.

Respectfully,

AURELIA POPA.

---

STATEMENT OF PROF. EARL A. POPE, ACTING HEAD, DEPARTMENT OF RELIGION,  
LAFAYETTE COLLEGE

#### A Romanian Odyssey

I spent two months of my sabbatical leave from Lafayette College with the assistance of an IREX grant in the spring of 1971 studying the Romanian religious and academic situation. Dr. Gheorghe Nenciu, Vice President of the Ministry of Cults, stated that I was the first scholar to be involved in this type of program.

Part of my purpose was to engage in face-to-face encounters and dialogue with Romanian scholars and to establish a systematic exchange of information. I had complete freedom and a high measure of cooperation in my dialogical and research endeavors. I traveled more than 4,000 miles visiting and lecturing at Orthodox University Theological Institutes in Bucharest (400 students) and Sibiu (600 students) and seminaries, spoke to the students and professors at the Baptist Seminary in Bucharest, and met with the professors of the

United Protestant Theological Institute (Lutheran, Reformed and Unitarian-Hungarian speaking) in Cluj. I attended and spoke at church services, visited many monasteries, and entered into dialogue with many of the monastic leaders—Cernișoara, Antim, Suceava, Dragomirna, Putna, Sucevita, Humor, Moldovita, Voronet, Arbore, Neamtu, Agapia, Varatec, Bistritia, Tilganești, Pasarea, and Ghighiu.

I was able to encounter the major leaders of the Orthodox Church—Patriarch Justinian; Metropolitans Justin, Mladin, and Nicolae; Bishops Antim, Antonie, Teofil, and Visarion; Rectors Nicolaescu and Todoran; Professors Ioan Bria, Nicolae Chitescu, Jean Coman, Nicolae Noaga, Alexandru Stan, Liviu Stan, and Dumitru Stanilolaie to mention a number.

In addition to the Orthodox leaders I was able to enter into dialogue with Bishop Albert Klein of the Evangelical Church of the Augsburg Confession (German Lutheran); Bishop Nagy Gyula of the Reformed Church (Hungarian); Dr. David Gyula, Rector of the United Protestant Institute in Cluj; Bishop Kiss Elek (now deceased) of the Unitarian Church; Pavel Bochian, President of the Pentecostal Church; Ioan Tachici, President of the Seventh Day Adventist Church; Nicolae Covaci, President of the Baptist Union; Mufflal Mehmet Iacob Head of the Muslim community; and the leaders of the Christians According to the Gospel Church.

I was greatly impressed by the internal ecumenism, particularly as expressed through the Interconfessional Conferences which date back officially to 1963. These conferences have involved with varying levels of participation the Orthodox, Reformed, Lutheran, Unitarian, and Roman Catholic churches. I discovered to my surprise that some of the churches received substantial state subsidies and that the government was spending millions of lei on the restoration of churches and monasteries.

I also visited the universities in Bucharest, Cluj, and Iasi. I met President Jean Livescu and entered into dialogue with deans, faculty members, and students at the University of Bucharest. At the University of "Babes-Bolyai" in Cluj I met with Prorector Aurel Negucioiu and Dr. Iuliu Capusan, prorector of the medical institute, as well as with the faculty of the Department of English. At the University of "Al. I. Cuza" in Iasi I had the opportunity to meet with Professor Ioan Sandru, the prorector, as well as with the members of the Department of History. The positive responses which I met on every hand were most heartening, and I have been most gratified by my continuing contacts with the Romanian scholars.

I discovered a profound interest in closer relationships with institutions of higher education and ecclesiastical bodies in America. I am convinced that the ecclesiastical and academic exchanges between our two countries should be greatly increased. I had a number of opportunities to discuss the matter of exchanges with ecclesiastical and academic leaders who expressed great enthusiasm over the prospect of exchange programs involving professors, students, and publications. I have been involved in the promotion of such exchanges and had Professor Nicolae Chitescu, as a guest speaker at Lafayette in the fall of 1972. In conjunction with the Commission on Ecumenical Relations of the United Presbyterian Church, U.S.A., a program was developed whereby Professor Chitescu was able to enter into dialogue with professors and students at theological seminaries in Princeton, Pittsburgh, Chicago, and Dubuque.

During the summer of 1973 I received a Lafayette College research grant to explore further the development of religious life and thought in Romania. I once again entered into dialogue with a wide range of ecclesiastical leaders, church members, government officials, professors, students and peasants. I traveled from one end of the country to the other. I located a considerable number of important books, journals, and newspapers related to my work. The Churches, Universities, and governmental agencies were very cooperative in my research. I had access to the libraries of primary significance for my research and was involved in an extensive microfilming project consisting of a large number of primary sources.

I had the opportunity to address the faculties and students at the Universities in Bucharest, Sibiu, Cluj, and Timisoara and also at the Orthodox and Protestant Theological schools in Sibiu and Cluj on the Contemporary Religious Issues in America. I was also able to attend part of the Romanian Civilization Program at the University of Cluj for English speaking students and scholars.

I was present at numerous religious services (many times completely unannounced) representing most of the religious groups, taping the services and

interacting with members of the congregations. The services were not only in Romanian but also in Hungarian, German, and Hebrew and included Orthodox, Roman Catholic, Reformed, Lutheran, Unitarian, "Neo-Protestant," Jewish, and Muslim bodies. In June of 1978 I had the honor of being a guest at the graduation ceremonies of both the United Protestant Institute and the Orthodox Theological Seminary in Cluj.

I discovered an amazing amount of highly significant ecumenical activity taking place involving the Churches of the Socialist Republic of Romania externally and internally—both churchly and secular—leading to a complex network of dialogues which point to a very exciting ecumenical future. The Romanian Orthodox Church in particular has long been a pioneer in the ecumenical movement. I am convinced that at the present time there is more ecumenical activity in Romania than in any other Eastern European country. I have been in every Eastern European country with the exception of Albania and, therefore, feel that I am in a position to make some comparisons insofar as the Romanian situation is concerned.

The scholarly activity by the Romanian Orthodox theologians is undoubtedly the finest in the whole of Eastern Orthodoxy. I receive most of their scholarly journals, and they contain impressive evidence of creative scholarship.

As a result of my experiences, encounters, and research I would strongly urge without any reservations that the Socialist Republic of Romania be granted nondiscriminatory or most-favored-nation tariff treatment. There is no doubt in my mind but that this would be in the highest interests of both the American and Romanian peoples.

I note that President Ford has recommended "a waiver of the free emigration requirement in the case of Romania based on his determination that the waiver will promote freer emigration and based on assurances he has received that the emigration practices of Romania will lead substantially to free emigration." I fully support President Ford in this decision and I would add my hope and expectation that this trade agreement will also lead to many other creative exchanges and developments involving our two countries. I am convinced that both the academic and religious dialogues would be encouraged and enriched. The value of these dialogues is incalculable.

---

CHICAGO, ILL., June 1, 1975.

HON. MICHAEL STERN,  
Staff Director, Senate Finance Committee, Dirksen Senate Office Building, Washington, D.C.

DEAR SIR: As an American citizen, I feel that it is my duty to write to you regarding the above subject. I firmly believe that an investigation should be made by our Government into the inhumane treatment the Romanian Government is inflicting on separated Romanian families.

One case especially close to me is that of my sister-in-law Mrs. Doina Vircol—allow me to give you a little background on our family's sad history. My husband had not seen his Father for almost 30 years due to Romania's absurd emigration Laws. Four years ago, he was finally allowed to come for a visit, and because of the unbearable conditions in Romania—he decided to stay here with his parents, leaving behind in Romania his only sister Doina (who married Alexis Vircol) and their little son Alexandru.

In September of 1972, their Father Vasile Posteuca became seriously ill with terminal cancer and had only a short time to live. His dying wish was to see his daughter Doina and his grandson Alexandru. The Romanian Authorities refused outright to let his family come. After two months of intervention through United Press International and Radio Free Europe and other news media, the Romanian officials were obliged to let them come. A few days after Doina's arrival here, her Father passed away.

After all of this turmoil, Doina decided to stay here with her Mother (now an American citizen) and her brother Doru (my husband) a permanent resident. The only member of the family left in Romania was Doina's husband Alexis Vircol. Since then—November 1972, Doina has tried all in her power to bring him here, but to no avail. She has fulfilled all the legal requirements of the Romanian Authorities to bring her husband here—but she is still waiting. Her little son Alexandru now 4 years old needs his Dad desperately, but Romania's Communist regime completely ignores such needs.

Another pathetic case is that of Mr. Alexandru Ionescu Lungu, a political refugee. It's been two years now since he has been separated from his wife, his

18 year old son, and his mother. He has been trying earnestly to gain permission for them to join them here, but so far, all his efforts have been in vain.

These are just two among thousands of families torn apart from their loved ones in an effort to seek freedom and start a decent life in a free society. To me, it seems such a crime to consider giving "Most Favored Status" to a Country who denies it's people the "Basic Human Rights", among them, the freedom to travel.

This situation should be seriously considered before making what could be a very unfair decision.

Thank you for your time and your consideration.

Sincerely yours,

UNA POSTEUCA.

CHICAGO, ILL., June 1, 1975.

Hon. MICHAEL STERN,  
Staff Director, Senate Finance Committee, Dirksen Senate Office Building, Washington, D.C.

DEAR SIR: My name is Zamfira Posteuca an American citizen. I would like to tell you the following facts so that when making your decision on the U.S. Romanian Trade Agreement, you may take them into consideration.

I came to the United States from Romania in 1968 to join my husband after a separation of 27 long years. This was brought about by the help of some U.S. Senators and some friends of my husband. During the years of our separation, I was not allowed any contact with my husband. I was alone with two children, living in fear of our lives, being forced to flee from place to place, not knowing what the future held. Helped by the same friends in 1970, our son Doru was allowed to come here with us (seeing his Dad after 29 years).

In September of 1972, my husband became ill with terminal cancer, and was given only a short time to live. His dying wish was to our daughter Doina and her family. We requested permission for them to come, but it was refused. Through the strong intervention of some U.S. Senators and the news media—who brought our story throughout the world—only then did the Romanian Authorities consent to let Doina come (with her son, 13 months old), on a visitors visa, keeping her husband in Romania as a hostage.

My daughter Doina Vircol and her son Alexandru decided to live in freedom, and since then they have become permanent residents. Her husband Alexis Vircol, a hydroelectric engineer who resides in Bucharest, Str. Prof. Ion Cantacuzino, No. 5, Sector 1, has twice applied for permission to come to the U.S., but was refused. Now, almost 3 years has passed and little Alexandru needs his Dad as Doina needs her husband.

It seems that history is repeating itself, and I do not want my daughter to go through the years of separation and loneliness as I did.

I would like to take this opportunity to also list the names of Romanian emigrant's families (just a few among thousands) in the same situation:

(1) Stephanie Gatalantu, permanent resident residing at 3610 N. Pine Grove, Chicago, Ill. 60627. She has been separated from her mother (presently very ill) Maria Gatalantu who lives at—Str. Popa Sapca No. 32, Bloc A12, Sc C Apt. 2, Timisoara, Romania, for almost five years.

(2) Paul & Maria Clupeiu, Romanian Immigrants, living at 3920 N. Lake Shore, Chicago, Ill., with a son here who is an American citizen by birth. Their three older children are still in Romania, ages 6, 7 and 8, living with their grandparents at Com. Girbau No. 196, Jud. Cluj, and have been apart now for two years.

(3) Alexandru Ionescu-Lungu, Romanian emigrant and political refugee, living at 1637 W. Fargo Ave., Chicago, Ill. 60626 has in Romania his wife Maria, his son Dan, and his mother Ecaterina, living at Str. Austrului 48, Apt. 6, Sector 3, Bucharest, who have been separated for two years.

(4) Gheorghe & Tudorita Jugureanu, Romanian immigrants living at 5030 N. Marine Dr., Apt. 2701, Chicago, Ill. 60640, have their only son Mihail (8 years old) living at Bdul. 1 Mai No. 150, Bloc. 7 Scara A, Apt. 4, Bucharest, Romania, now separated for two years.

I hope that the U.S. will carefully review their stand on this "treaty Agreement" and see what can be done about the appalling Romanian emigration situation. Thank you for your consideration.

Sincerely yours,

ZAMFIRA POSTEUCA.

BURBY RIVKIN SHEEMAN LEVY AND REHM,  
Washington, D.C., June 5, 1975.

HON. RUSSELL LONG,  
Chairman, Committee on Finance, U.S. Senate,  
Washington, D.C. -

DEAR MR. CHAIRMAN: I am writing this letter on behalf of Katerina and Mihai Rauta (pronounced Raootsa) and request that it be included in the printed record of the Committee's hearing on the proposed U.S.-Romanian trade agreement.

Katerina and Mihai are the wife and young son of my friend and client Constantin Rauta, a Romanian who came to this country in November of 1973. Since that time, Katerina and Mihai have tried unsuccessfully to obtain exit visas from the Romanian Government in order to join Constantin in this country. Their plight has a direct bearing on your Committee's consideration of the U.S.-Romanian trade agreement and Senate Concurrent Resolution 35.

Katerina was born in Romania in April of 1948. She studied at a university in Bucharest from 1966 to 1971. In 1970, the university planned a one-day trip to Belgrade, Yugoslavia, which is just across the Danube from Bucharest. For reasons that were never given, Katerina was denied a visa. Following graduation, she became employed by the National Bank of Romania and now holds the position of inspector there.

Constantin and Katerina were married in April of 1972. They hoped to spend their honeymoon in Italy, but Constantin was informed by the Romanian authorities that one or the other could go, but not both. In July of 1973, Mihai was born. With the birth of his son, Constantin resolved to leave Romania with his family and live in a country that afforded basic human freedoms. Since the Romanian Government has a firm policy of not allowing an entire family to leave Romania, Constantin knew that he would have to leave first and then find the means of getting his wife and son out of Romania.

In November of 1973, Constantin was a member of a governmental mission sent to this country to help make preparations for an official visit of the President of Romania. Constantin arrived in New York City on November 24, 1973, with a Romanian diplomatic pouch in his possession. Upon his arrival, he promptly went to the nearest police station, requested political asylum, and said that he would not give up the diplomatic pouch until the Romanian Government promised to allow his wife and son to leave Romania. However, representatives of the State Department and the FBI persuaded him to give up the diplomatic pouch, which was then delivered unopened to officials of the Romanian Government in New York. The representative of the State Department promised to try to assist, first, his wife and son and, in addition, the rest of his family to leave Romania.

On March 20, 1974, Constantin was formally granted political asylum. He now lives in Washington and is employed as an electronic engineer. He has also applied to George Washington University to study for a doctorate degree in his field. Constantin has a number of friends in the area who will vouch for his ability, industry, intelligence, and, above all, courage.

Since December of 1973, constant efforts have been made to persuade the Romanian Government to grant exit visas to Katerina and Mihai. During numerous visits to the Romanian Embassy here in Washington, D.C., Constantin was assured that, if he regularized his status by exchanging his diplomatic passport for a regular passport, his wife and child would be issued exit visas. Constantin was also assured that the temporary, ninety-day visa in the regular passport would be routinely extended as needed.

On the basis of these oral assurances, in November of 1974, Constantin exchanged his diplomatic passport for a regular passport. However, at the end of the first ninety-day visa, Constantin was, despite repeated efforts, unable even to see an official of the Embassy who was authorized to extend the visa. Constantin knew that if the visa ran out, he would lose his regularized status and thereby jeopardize or eliminate any chance of having exit visas issued to his wife and child. Accordingly, on February 28, 1975, he submitted to the Romanian Embassy a formal application to renounce his citizenship.

Since the time that Constantin regularized his status, he never received an explanation as to why the exit visas were not issued, nor indeed any indication of further steps that he should take to have the visas issued. In short, he has consistently encountered one delay after another and one equivocation after another on the part of the Romanian authorities.

In April of 1975, the American Embassy in Bucharest agreed to intervene on behalf of Katerina and Mihai and to try to persuade the Romanian Government

to allow them to come to this country. Accordingly, in May of 1975, Katerina visited the Embassy and registered her desire to join Constantin here.

In recent weeks, the Romanian authorities have taken various steps to dissuade and, indeed, prevent Katerina and Mihai from leaving Romania and being reunited with Constantin. Since her second visit to the American consul at the American Embassy in Bucharest, the Romanian state police have warned her not to go to the Embassy again. When she recently sought at a local police station in Bucharest to obtain the forms needed to apply for exit visas, they were refused to her. On several recent occasions, the Romanian state police have interrogated her, first, at her apartment, and then when she refused to open the door, at her place of employment. During these sessions, each of which has lasted up to three hours, they have attempted to persuade Katerina to renounce all intention of leaving Romania and even to divorce Constantin and remain in Romania with Mihai. During this period, Katerina has become increasingly tense and nervous, has lost weight and experienced difficulty in recovering from an appendectomy, and has had recurrent bouts of deep melancholy. She has gone so far as to urge Constantin to remarry after she dies.

Such actions on the part of the Romanian Government are contrary to the most basic rights that human beings have—or should have. Acts of the kind that have been taken against Katerina and Mihai raise two fundamental questions about the U.S.-Romanian trade agreement and, in turn, Senate Concurrent Resolution 85. First, what is the present policy of the Romanian Government with respect to emigration? Second, what is the basis of the President's waiver of subsections (a) and (b) of section 402 of the Trade Act of 1974?

As to the first question, the plight of Katerina and Mihai indicates that the Romanian Government is still determined to use emigration policy in a restrictive and punitive manner. It seems quite clear that the Romanian Government is preventing Constantin and his family from being reunited in order, first, to intimidate other Romanians who might wish to emigrate and, second, to punish both Katerina and Constantin for his remaining in this country. I would ask how many other cases are like the Rauta's and urge the Committee to look into this.

As to the second question, I am struck by the fact that the President has offered no concrete evidence to justify his waiver. Beyond a reference to the vague rhetoric of the joint 1973 declaration, what is the basis for the assurance that the President refers to, and what, indeed, does the assurance consist of? In short, I believe that the Congress has an obligation to satisfy itself that the emigration practices of Romania will, in fact, lead substantially to the achievement of the objectives of section 402.

For the sake of the Rauta's and all others who are in their cruel position, I urge the Committee to be particularly vigilant lest, contrary to section 402, humanitarian principles are subordinated to commercial considerations.

Sincerely yours,

JOHN B. REHM.

---

STATEMENT OF E. STANLEY RITTENHOUSE, LEGISLATIVE AIDE, LIBERTY LOBBY

**BULLETIN.** *As this statement was being printed, LIBERTY LOBBY was informed by an authoritative source that Romanian tractors are already being imported into the U.S. The scheme is assertedly being worked by the Long Equipment Company of Tarboro, N.C. and Des Moines, Iowa. This company is selling tractors under its own label, the parts of which have been imported from Romania and assembled in North Carolina. Most buyers are unaware of the origin of the tractors and the company attempts to keep it secret. LIBERTY LOBBY urges this Committee to investigate this matter.*

Mr. Chairman and members of the committee: I am E. Stanley Rittenhouse, Legislative Aide of LIBERTY LOBBY, an institution consisting of American citizens who have voluntarily joined together to promote their patriotic and constitutional convictions. I represent our nearly 45,000-member Board of Policy, and also the approximately quarter million readers of our monthly legislative report, *Liberty Letter*. I appreciate this opportunity to submit our statement for the record.

America's trade with communist countries is one of the most suicidal acts America has ever taken. Soviet Russia and her communist colonies, including Romania, have continually declared that they are enemies of America with the ultimate goal of defeating her.

Lenin maintained that as soon as eager capitalist countries, out for gain, entered into trade relations with communist countries, they would no longer be



in danger and that, on the contrary, Capitalism would, in this way, put out money for its own ruin. Years ago this idea might have sounded paradoxical, but since that earlier time, those who have been alert have seen it become a reality.

In spite of it all, once again the Senate is being asked to vote on whether we should treat our enemy as our friend. Senate Concurrent Resolution 35, asking for approval of a bilateral commercial agreement between the United States and the Socialist Republic of Romania, should be defeated because it would strengthen a repressive nation and weaken our position and thus our Nation.

Socialism has never worked and will never work in the long run. It needs the fruits of capitalism as well as the capitalistic markets in order to sustain this political and economic repressive system. Since the system does not work, they need our trade. But how our nation can purchase slave labor goods; how the Senate can vote to do business with a nation that persecutes and prosecutes Christians; how our nation can trade with a nation that does not allow Christians to flee that country is beyond the comprehension of LIBERTY LOBBY members.

The State Department concedes that there are a few hundred Christians who have already requested to leave Rumania and come to America but who have been held captives by the Rumanian Government, the same government that the U.S. Senate is asked to extend most-favored-nation tariff treatment to.

The Trade Act of 1974 states that any country receiving this most-favored-nation status must allow for free emigration. Since the State Department, as well as Christians who are in direct touch with Believers in Rumania, have personally informed me that there is not free emigration, Rumania does not qualify and thus, this Resolution should be defeated. To quote the State Department, there are "several hundred cases of prospective immigrants who have fulfilled our requirements" but haven't been allowed to leave.

Since Communists are amoral, as they openly profess, and since treaties, agreements, etc., are "like pig crust, made to be broken," any so-called assurances on their part that the emigration practices will later lead to free emigration cannot be believed or relied upon.

What hypocrisy it would be to vote for letting the Jews out of Russia and then to vote for favorable trade status with a nation that does not let the Christians out of Rumania.

Even some liberal Senators must admit that East-West trade is a grave mistake. Senator Frank Church (D., Idaho) has said: "The government has pursued this policy of actively promoting East-West trade apparently in the expectation that it may lead to Russian concessions in areas such as Vietnam and the Middle East. But there is no evidence of such a trade-off. (As we now know, the only trade-off the Communists gave South Vietnam was death and destruction in return for the confiscation of their land, ed.) Furthermore, U.S. corporations are taking advantage of this policy by negotiating transactions which would not be commercially viable without excessive financial support from the U.S. Government."

At the time when so many on Capitol Hill are calling for independence in energy and a self-sufficient economy, many of the same folk advocate our being dependent upon trade with Russia, for to trade with Russia will mean eventual dependence upon them. This is exactly what the communists want!!

The Trade Act of 1974 stipulates that the trade agreement be in the "national interest." Any trade that, in effect, condones repression can never be in the "national interest" of America. Any trade that will result in greater balance of trade deficits and greater unemployment here at home will not be in the "national interest."

To illustrate the point, the Rumanian Communists will demand credit and loans from us at rates lower than our own businessmen will be able to get. These "gifts" to our enemy will be used to build up their industries in order to export their products and dump them on our markets. Since slave labor will be used, as it is used in all communist countries, their prices will be considerably lower thus creating a dumping effect. These imports created through taxpayers' money to our nation's enemy will then create unemployment in America. We, in turn, will spend additional billions in unemployment compensation, redevelopment loans and redevelopment loan guarantees to committees.

In other words, (1) We give to our enemies (via so-called low interest rate loans, credits, etc.) our wealth so that they may build up their industries to export their products (from our technology and machinery) which they dump on our markets. (2) The imports that Congress has created through taxpayers'

money to America's enemies then are used to create unemployment here at home. (3) We, the taxpayers, in turn, spend additional billions on unemployment compensation, redevelopment loans and redevelopment loan guarantees to communities.

As senseless as this sounds, should we trade with Rumania, it will be a problem created by our government at the expense of the American people not only in taxes but in jobs.

Yes, all of this trade with our enemy has the potential of creating tremendous loss of jobs here in America. To quote the *Washington Post* of December 20, 1974: "The bill (or Trade Act of 1974) provides for unemployment payments of 70% of lost wages for up to 52 weeks for workers made jobless by eased import barriers, and up to \$100 million in redevelopment loans and \$1 billion in redevelopment loan guarantees to communities that lose firms and jobs." You will notice that those who are responsible for this Trade Act saw the possibility of whole firms and possibly industries going out of business as a result of this trade with our enemies!!

We are pleased to see the AFL-CIO is giving lip service against this Resolution that would open up trade with a communist, slave-labor nation—but more, much more is needed. Mumbling a few words to placate American workers will not contribute to the preservation of American jobs. Mr. George Meany, with his veto-proof Congress, could easily stop this treasonous trading with the tyrants by using his power in and with Congress to repeal *all* trade agreements with the communist world.

The Labor movement needs to get behind LIBERTY LOBBY's long standing efforts to protect the working man, his family and his job. The solution to the problem is to repeal this whole East-West trade hoax. As it is right now, all that results from this Red trade is the enrichment of the super-rich international socialists such as the Rockefeller clan while impoverishing the American working man.

At this time, when thousands are unemployed, to remain silent to any degree is to betray the American working man. Silence, in this case, is golden only for those who will reap the benefits, as short-lived as they may be, but is cowardly as for those who are unemployed.

LIBERTY LOBBY is protecting the American workers' interests because it is clearly against the national interests of the United States, and we recognize that to trade with communist countries results in unemployment at home. A nation simply cannot compete with the price of slave labor goods. To undermine the American labor and pricing system will be disastrous, not only for the American worker, but for America itself.

In this particular agreement, the President has asked for a waiver of the free emigration requirement based on his determination that the waiver will promote freer emigration and based on assurances he has received that the emigration practices of Rumania will lead substantially to free emigration.

In light of the past record of the communists not honoring their assurances and the fact that they are avowed amoralists, and in light of the fact that they view agreements, treaties, etc., as nothing more than pie crust, made to be broken, the President would be foolish to base anything on their assurances.

The Southeast Asian debacle and tragedy, and the President's gross error in misjudging the communists (as witness their violation of the Paris Peace Accords) make it quite evident that any agreement based on the President's determination could prove to be another tragedy. The only thing that has been consistent about the communists has been their deceit. If the President were to trust them to honor their word, it would be foolish indeed.

The communists' policy and program is to keep up the agitation around the world. They do not want tension stopped. If we ease tension in one place, they will create strife elsewhere. Hence, they promote agitation, including economic agitation, in order to disrupt and to penetrate. A dialectic course is a zig-zag course. Thus, they talk peace and trade one day, and war the next. Without a doubt, the spirit of detente will lead to the destruction of America.

The overwhelming economic power of the United States has been utilized in the past to secure changes in the policies of foreign governments, including even friendly and allied governments. The philosophy behind that economic leverage has been the American tradition to support the struggle for independence of peoples throughout the world. In war time, the same economic power of the United States has been brought to bear on neutral countries to dissuade them

from supplying arms and strategic materials that fed the war arsenals of the enemies of liberty and resulted in the deaths of American G.I.s.

Today the Soviet leaders, including Rumania, are confronted with a great economic crisis which, if allowed to take its logical course, would inevitably lead to a political upheaval and perhaps to the collapse of the Bolshevik regime itself. The United States is the only country with the capability to bail them out of their difficult predicament.

Here we are confronted with a fateful decision: Shall we unconditionally bolster their national economy and augment their aggressive expansionist aspirations or shall we take the other alternative and use our leverage to bring about a change in the Soviet and Rumanian leaders' policies and curtail their war-making powers as evidenced by the war material from Rumania used to kill Americans in Korea and Vietnam?

"This business of lending blood money is one of the most thoroughly sordid, cold blooded, and criminal that was ever carried on, to any considerable extent, amongst human beings. It is like lending money to slave traders, or to common robbers and pirates, to be repaid out of their plunder. And the men who loan money to governments, so called, for the purpose of enabling the latter to rob, enslave and murder their people, are among the greatest villains that the world has ever seen." (Lysander Spooner, *No Treason* . . . Boston, 1870)

The principle applied then: it applies now!

LIBERTY LOBBY *STRONGLY* urges that Senate Concurrent Resolution 35 be defeated.

Thank you again for this opportunity to present our views for the record.

CHICAGO, ILL., May 14, 1975.

Re hearings of H. Con. Res. #252.

Hon. MICHAEL STERN,  
Staff Director Senate, Finance Committee,  
Dirksen Senate Office Building.

DEAR SIR: My name is Felicia Spuza, M.D., and I am presently an OB/GYN resident at Illinois Masonic Medical Center in Chicago, Illinois. I came to the United States in 1972 to join my husband who is an American Citizen. Our children are also citizens of the United States.

My parents are still in Romania. Two years ago, they applied to come to the United States and entrance was granted by the American Government. However, the exit from Romania was denied by the Romanian Government. Because my parents applied for entrance to the United States, all of their possessions, their house, etc., have been confiscated and they have been denied permission to leave Romania.

When my children and I came to join my husband, he had to pay \$10,000.00 to the Romanian Government—for all—for so called "educational taxes". My parents are living in the city of Timisoara and it is my wish that my parents be allowed to come to the United States to live with my sister (who is also a doctor) and my family. I need my parents here to help take care of my children, and it is my understanding that the Romanian Government only wants to profit from the United States and to obtain the most favored nation privilege on trade. But the Romanian Government is involved in international confiscation—to destroy families and everything that is good in the world—including our United States.

I request that you help me in getting my parents out of Romania and into the United States.

Your truly,

FELICIA SPUZA, M.D.

#### STATEMENT OF ILDIKO TRIEN

##### Outline

1. The doubling in territory and population of Romania after the first World War created a very sizeable non-Romanian minority within Romania's enlarged borders. Romania guaranteed full and complete rights to all its inhabitants, and in my opinion, has lived up to these obligations.

2. I was born and raised in a territory annexed from Hungary, attended both Hungarian and Romanian classes, and as a Romanian have never faced any

discrimination due to my "Hungarian" origins. Hungarian cultural life has flourished in Romania, including education being taught in the Hungarian language, religious freedom being exercised, and political positions being held by those of "Hungarian" origin.

3. Although problems occur at times in Romania, this is no different from America. For example, many Spanish speaking students have no access to Spanish speaking schools, even in concentrated Spanish areas such as New York City and the Southwest.

4. Most-favored-nation status with Romania would be in the best interest of both the United States and Romania. The Romanian people have long held the United States in high regard as witness the reception afforded the President in 1970. The United States can expect a liberalization within Romania due to the closer ties resulting from the granting of most-favored-nation status to Romania.

#### STATEMENT

The State of Romania, by virtue of being on the right side during the First World War emerged from the Peace Conferences greatly enlarged. Both her territory and population were doubled through acquisition of the previously much disputed territories of Transylvania, Bucovina and Bessarabia. The post-war settlements left Romania with one very serious domestic problem. She inherited a number of racial minority groups along with her new territories: Transylvania had over two million Magyars (Hungarians) and Germans, Bessarabia a half million Ukrainians, and the Dobruja a quarter million Bulgarians. Therefore, a large portion of her population was suddenly non-Romanian in origin. Similarly with other States which have acquired minorities (including the U.S.A., of course) Romania guaranteed full and complete protection of life, race and liberty to all inhabitants without distinction of birth, nationality, language, race or religion. It is my opinion as a Romanian, now living in the United States, that my ex-country has lived up to these precepts.

Until my recent emigration, I had always considered myself a Romanian despite the fact of my "Hungarian" nationality. In the town of Cluj, where I was born and raised, and later in Bucharest, all of my friends: Romanians, Serbs, Hungarians, Greeks, Germans and Jews considered themselves Romanian. That is how Italians and Irish and Poles in the U.S.A. consider themselves Americans much as I, a Romanian, now consider myself an American.

As a young girl I attended Hungarian classes and later was admitted to Romanian Schools. At no time was I ever faced with any sort of discrimination or felt myself deprived of rights or prerogatives. It was unheard of.

Currently, my mother lives in Bucharest, while the remainder of my family resides in Transylvania. My uncle is a professor at Babes-Bolyai medical school. He teaches in Hungarian.

As one who had lived in Romania until December 1970, I am aware of developments relating to cultural life in that country. Hungarians, for example, have access to newspapers, books, radio, and television programs, all in the Hungarian tongue. I can recall a great number of newspapers and magazines in Hungarian. There were and still are Hungarian operas and theaters in Cluj, Craiova and Tirgu Mures. Hungarians enjoy education in their mother tongue, (if they so desire) and also exercise their religious preferences and traditions with no interference, as do all religions in Romania. I can recall many Hungarian, Jewish and German names belonging to deputies to the Grand National Assembly, the supreme legislative organ of the country. The same applies to district Popular Councils.

Of course, from time to time there are problems, errors in judgement, administrative mistakes, etc. Even America, with an admittedly far more complex situation, has its problems. For example, I am told that New York City has a few million Spanish speaking people living within its borders who have hardly any access to Spanish speaking schools. A similar situation exists in the American Southwest. As in Romania, most of these students are from areas that were annexed at one time or another by the mother country. It would, however, be foolish to maintain that Latins, under the laws of the U.S.A. are discriminated against. The laws of this country, as we are all aware, apply equally to every citizen regardless of National origin or Nationality. The same holds true in Romania.

Now as someone eagerly looking forward to full American Citizenship, I don't think of myself as an ex-Hungarian, but rather as an ex-Romanian.

I recall the President's visit to Romania in 1970. It was the first such official American visit in over twenty years. I stood at the curb with hundreds of thousands, watching the motorcade go by. In addition to the cheers and hurrahs at the sight of the American flag, I was aware that a good number of people were actually in tears! For months after the visit there was a feeling of bright optimism in the streets and cafes. The United States has long enjoyed "Favorite-nation status" with the Romanian people. Somehow we all expected something—some major change. Now, four years of waiting for the expected increase in trade and cultural exchanges has probably compromised the liberal political elements in Romania.

It is my opinion that closer ties with the United States would tip the scales in Romania, which already has established a greater degree of independence than any Eastern country. The resultant liberalizing influence would be immense. It would be felt by all. Certainly this kind of development would be in America's best interest also. Despite its form of government, most Romanians have a strong desire to look westward. Everyone will benefit if we can present to Romania an economic and cultural alternative to her big neighbor to the East.

CHICAGO, ILL., May 28, 1975.

HON. MICHAEL STERN,  
Staff Director, Senate Finance Committee, Dirksen Senate Office Building, Wash-  
ington, D.C.

HONORABLE SIR: My name is Stela Tudoran, and I am a Resident E.N.T. at Presbyterian St. Luke Hospital in Chicago, Ill.

I came in U.S.A. in 1969 and I am American citizen.

My parents Petru and Ecaterina Oanca at age 65 and 59, are still in Romania, and they applied two years ago to come in U.S.A. to stay with me and my sister a M.D. too. We have three growing children and we need their presence. Besides that, they need our medical help, care and love. Actually they are living in Timisoara, Str. Circumvalutiunii No. IV—Cal. Torontalului—Romania.

They have entrance in United States already approved for more than a year, but the Romanian Government does not want to let them come, also they confiscated their family home because they applied to come in U.S.A.

My brother in law came in U.S.A. in 1969—escaped—and paid for my sister and their two children \$10,000 in 1971 to the Romanian Embassy from Wash-  
ington, D.C.

Monetary we couldn't afford to pay this large amount, and after all they confiscated their family home, just because they applied to be together with their children in U.S.A.

We hope to find understanding and help regarding the unification of our family.

Respectfully yours,

Dr. STELA TUDORAN, M.D.

CHICAGO, ILL., June 1, 1975.

HON. MICHAEL STERN,  
Staff Director, Senate Finance Committee, Dirksen Senate Office Building, Wash-  
ington, D.C.

DEAR SIR: I have recently heard that the Senate is presently taking into consideration a Treaty Agreement under which Romania may be granted "Most Favoured Nation" treatment in its dealings with the United States.

As a native of Romania and now a permanent resident of the U.S.—I am deeply concerned about this agreement, and my reasons are as follows:

I believe that the U.S. Government should investigate the Romanian Govern-  
ment's stand on emigration before considering giving them "Most Favoured  
Nation Status", because so many families are being forced to separate because  
of these laws.

My name is Doina Vircol, Romanian emigrant. I came to the United States in November of 1972 with my son Alexandru, one year old at the time, to see my Father on his death bed. After many years of frustration in Romania (and after 27 years of separation from my Father—an American citizen) I decided to live in freedom in the United States of America, joining my Mother already an American citizen, and my brother a permanent resident. My son and I are now permanent residents also.

The only member of our family left in Romania is my husband, Alexis Vircol, a hydroelectric engineer who resides in Bucharest, Str. Prof. Ion Cantacuzino, No. 5, Sector 1. On December 27, 1972, my husband applied to the Romanian Authorities for permission to come to the United States, but with no result. He tried again in November of 1974, but his application was not even acknowledged. He has a prepaid ticket, but as of this writing, he is still in Romania.

In June 1973, I wrote to Mr. N. Ceausescu, the President of R. S. Romania requesting an exit visa for my husband, but to this day I have not received an answer. In May 1974 I renounced my Romanian citizenship as required of the Romanian government. I assume that this satisfies "all the legal requirements of the Romanian Authorities".

The American Embassy in Bucharest are aware of my request, and my husband has discussed with the American Ambassador his intention to emigrate to the United States.

In July 1974, at the request of the Romanian Authorities, a Romanian Consul came to Chicago to discuss my case, and he informed me that I would never see my husband again unless I returned to Romania—this is the way they respect the Declaration of Human Rights of which they are co-signers.

Considering that the reunification of a family is a legal and moral act, and the fact that the Romanian Authorities are dis-regarding International Laws by creating artificial barriers, I am now asking you to reconsider your views on this Treaty Agreement until the Romanian Government changes its laws on emigration, and allows its citizens freedom to travel.

Thanking you in advance for your consideration.

Sincerely yours,

DOINA VIRCOL.

#### TESTIMONY OF THE ROMANIAN NATIONAL COUNCIL

Mr. Chairman of the committee, No. 1. Since 1946, the Communists have imprisoned thousands of Romanians for their political convictions, their main guilt being that they were the supporters of the Western policy, especially that of the United States. These victims, over 75,000, shared different destinies; some of them have died in prison, others have survived after they became disabled to perform any kind of work, and others, the Romanian intelligentsia, were socially and academically disqualified and, subsequently, forced to labor on a miserable salary, after 1964.

In 1964, a Decree of pardon was issued according to which nearly all the political prisoners, over 45,000, had been conditionally released.

We request the change of the aforesaid Decree to a Decree of amnesty, i.e. any incriminated charges for political activities to be abolished.

At this time the Romanian government still continues to order the arrest of those people whenever they consider that they are dangerous for the Communist rule.

The United States should bear in mind that those thousands of victims were, partially, the victims of the United States policy and as a result of their strong belief in Western intervention for their salvation from slavery, after the Teheran Treaty (considered by the Eastern European countries as an act of treason).

2. In 1948, the Romanian government led by Dr. Petru Groza, imposed by Soviet armed forces, ruthless proceeded with the annihilation of the Greek-Catholic Church in Romania. At that time in Romania were about 2,000,000 Greek-Catholic believers, a branch of the Roman Catholic Church in Romania. Since 1948, six Greek-Catholic bishops (one a cardinal, Iuliu Hossu) lost their lives in prison, and thousands of believers were persecuted. Today there is no Greek-Catholic Church in Romania.

The Romanian government has committed itself to respect the religious freedom but by its policy of intolerance it has destroyed the Church and defied the very principle of human rights.

Therefore, in the behalf of the 2,000,000 Greek-Catholics, we request that the Greek-Catholic rite be reinstated in Romania as a natural consequence of the human freedom provided in the international agreements and treaties.

We also request that the Greek-Orthodox Church which represents 80% of the population to be granted the right to exercise its religious practice without any

interference in the Church's affairs or control on the part of the Communist Party of Romania.

3. By a Decree No. 223 of December 3, 1974, published in the Official Bulletin dated December 6, 1974, it was provided the confiscation of the properties of all those persons who have left the country in different ways and never returned, according to the provisions of the passports, and, also, the take over of the properties by the State, of those persons who went abroad legally, are currently living abroad, and who are not having their domicile or "physical presence" in RSR".

On April 30, 1974, the President of the Socialist Republic Romania (RSR), Nicolae Ceausescu, has issued a Decree (Official Bulletin No. 108) by which it was approved that persons living abroad (regardless of nationality), without a Romanian citizenship to have the possibility to build houses and "rest homes" on Romanian territory, with foreign currency.

It is evident that the Romanian government has misled the Americans of Romanian descent by the aforesaid Decree of April 30, 1970. We request that all American or non-American citizens of Romanian descent, currently living in the USA to be equitably compensated in US currency. We also request that in the Committee establishing the value of compensation to be included a representative of the US Embassy in Bucharest.

4. Besides the above-mentioned, we would like to bring to your attention the case of Dr. Ion Carja, who was imprisoned for ten years in different Romanian Communist jails and labor camps, under the charge of being an American spy. Mr. Ion Carja was born on March 23, 1922, Whitman, WVA, and left with his parents for Romania, in 1927, where after long years of studies he has obtained a Ph.D. in law. He is an American citizen by birth and he never lost his American citizenship. He was imprisoned from July 29, 1949, to July 27, 1954, and from October 14, 1959, to July 30, 1964.

Dr. Ion Carja's claim filed with the Department of State, in 1966, amounts to \$300,000.00, representing damages suffered as a result of all the wrongful acts committed by the Government of Romania, it was endorsed by the Department of State and sent to the US Embassy in Bucharest, on September 29, 1967.

Notwithstanding the fact that the American authorities have repeatedly intervened with the Romanian authorities since 1967, Dr. Ion Carja never received a response or the requested compensation, except a vague promise.

The Romanian National Council does not directly oppose to the approval of the agreement on trade relations between the United States of America and the Socialist Republic Romania, but firmly requests the RSR to fulfill her obligations as provided in the international treaties and endorsed by her regarding the human rights as well as the elementary rights of the Romanian citizens, according to the Romanian legislation. We also request that the provisions of the present Memorandum to be included among the conditions of the trade bill.

The acceptance without condition of the said agreement, the United States will once again be made responsible for the disaster caused to the Romanian people who is continuously and systematically oppressed by a regime imposed against his will.

DR. ION CARJA,  
Secretary General.  
NICOLAE CARJA,  
Vice President.

REPRESENTATIVE MICHAEL HARRINGTON,  
U.S. House of Representatives,  
Washington, D.C.

DEAR SIR: We protest the persecution of Christians which is expressly undertaken in Romania. For your information, here are some facts proving that Christians are persecuted in Communist Romania;

A Christian by the name of Vasile Rascol, 12 Dr. Marinescu Street, Bucharest, was arrested on May 25, 1974, on account of distributing bibles and Christian literature and sentenced to two years. His only crime: possessing bibles. This arrest would seem flagrantly to contradict the principle of religious liberty which had been proclaimed over the radio by President Ceausescu.

Lately many fines were given to believers who were found praying. The police can enter homes without warrants, even days after prayer meetings took place and

fine the believers with enormous fines. Retired people who get a couple hundred lei, received fines of thousands of lei, even children are fined. The following have been fined 1000 lei: Brother Turturean, Village Patrauti, Region Suceava; Brother Nica, Village Maierush Jud, Brasov; Brother Radu, Village Sin Petru, Jud, Brasov; Brother Lingurau Nicolae of the Village Herculean, Jud, Covasna was fined 2000 lei. The Brethren in the Village Ruja, Region Sihlu paid already more than 30000 in fines for meetings. Similar situations happened in the Village of Vizuresti, Region Dambovita, in the Village Sandulent, Region Bacau, in the Village Malul Alt, Region Galati, in the Village Namoloasa, Region Galati, in the Village Pechea, Region Galati, in the Village Saloia, Region Bacau, in the Village Vernesti, Region Bacau and in the towns of Suceava and Bacau, bibles and song books are confiscated.

Brother Urs Moise of the Village Gura Hont, present address Batania St. 7, Timisoara, Romania, has been recently sentenced to ten years of prison.

According to our latest information, reformed adventists are also in prison in Romania. They are compelled to work on Sabbaths which they refuse. They are punished—*thirty lashes. Chains are put on their feet which weigh sometimes 40 pounds. The chains have spikes which hurt.* Thirty-two persons would be put in a cell with a maximum capacity of sixteen. Sixteen lie on the floor and sleep while the others are standing around so as not to disturb their peace. Every two hours they change. They are put under cold showers in winter. Because of these conditions, the reformed adventists Zecianu and Simescu die in prison. Brother Sirlu is sentenced to five years. He is very sick and badly beaten. Another Brother Buzdugan is sentenced to thirteen years of prison. His guilt is to have communicated with adventists abroad.

On the basis of religious freedom, as set forth in the declaration of human rights, we urgently request that Mr. Rascol along with all the others named be released from prison.

As a moral, human being, we ask you to use all your influence to bring about the Romanian Communist's Government's respect for human rights.

CHRISTIAN MISSION TO THE COMMUNIST WORLD.

CONNOR FOREST INDUSTRIES.

Wausau, Wis., June 5, 1975.

Senator RUSSELL LONG,

Chairman, Senate Finance Committee, Senate Office Building, Washington, D.C.

DEAR SIR: On April 24, 1975 President Ford signed Presidential Proclamation 4369. This proclamation is the first step in the implementation of a trade agreement between the United States and the Socialist Republic of Romania.

However, before the agreement becomes operative both the House of Representatives and the Senate must give their approval in accordance with the procedures of section 151 of the Trade Act of 1974.

I am requesting that this letter becomes accepted as a part of the written testimony before your hearing committee.

Furthermore, as a fellow American and believer in avoiding further unemployment in the economically depressed areas of Northern Wisconsin and the Upper Peninsula of Michigan, I encourage you to digest the following information as carefully as possible.

First, my company, Connor Forest Industries, has owned and operated forest product operations in Northern Wisconsin and the Upper Peninsula of Michigan for the last 103 years. We employ over 1200 employees in areas which otherwise are characterized as economically depressed.

Second, one of our major product lines is wooden juvenile furniture. We are one of the major producers of this type of furniture in the United States.

Our most severe competition domestically is Hedstrom Company which has facilities in Pennsylvania, Alabama and in the Northeast.

Over the years Hedstrom Company has been a rough competitor. However, they have been fair and honest competitors. Perhaps the most important point is that they, like us, employ an American work force.

Third, I want you to know that approval of deleting Romania from the list of Communist countries presently subject to Column 2 classification rates in the Tariff Schedules of the United States is going to seriously affect our decision



to keep our furniture factory and sawmill operations in existence. Thus, our employees and, I am sure, Hedstrom Company employees as well as other minor manufacturers of wooden juvenile furniture will be severely injured by any further reductions in Romanian furniture tariffs.

Why will American employees be severely injured? Let me get down to the specific facts.

In the early 1970's our New York sales representatives for our wooden furniture line formed an import firm in New York City called BAP, Inc.

BAP went to a Romanian source with our catalog sheets and asked them to basically copy items in our line.

~~BAP's retail prices on comparable items of ours in the United States are more~~ than fifty percent less than our *factory costs*. We think and our domestic competitors think that Romania is currently dumping wooden juvenile furniture on the United States market. Their sales have increased from approximately \$300,000 in 1972 to \$2,000,000 in 1974. So BAP has significantly cut into the market share of United States manufacturers of juvenile wooden furniture.

As you well know, it is a detailed, costly, and time-consuming job to prove that a foreign country is dumping their merchandise on the United States market. However, my company and my fellow American manufacturers intend to prove that the "dumping" charges are true.

In the meantime, as a concerned American who is advocating that our American work force as well as our economy cannot absorb any more layoffs or plant closing because of *dishonest and unfair foreign* competitors, I am asking you to *hold the line on any further tariff reductions* for the country of Romania.

If I can be of any further assistance in providing any more information for you, please contact me.

Sincerely,

DAVID N. CONNOR.

---

STATEMENT OF LLOYD G. EVANS, VICE PRESIDENT, SALES—ISLAND CREEK COAL COMPANY

Mr. Chairman, I appreciate the opportunity to present a statement on behalf of Island Creek Coal Company in support of the Romanian Trade Agreement—the first concluded under the terms of the Trade Act of 1974.

The Agreement is significant not only because it is the first under The 1974 Act, but also because it represents a long step towards increased communications between two countries with different philosophies of government, but with common needs and requirements in the area of trade.

Trade can go a long way toward increasing mutual understanding between governments by creating economic and cultural ties which might otherwise be lost.

Under the terms of this agreement, private business companies in the U.S. are in a unique position to promote detente through trade and to assist the government in achieving its stated goal of normalization of relations with Romania.

The hearings being held by this Committee, as well as those held in early May in the House of Representatives, are valuable and constructive in understanding the true potential of this Trade Agreement. They are particularly important because these hearings will undoubtedly be viewed by other nations with whom other agreements are yet to be concluded, as an indication of America's sincere interest in the expansion and normalization of trade relations.

Trade with Romania has increased dramatically over the last several years. In 1974, according to the Commerce Department, trade totaled \$407.6 million, with U.S. exports amounting to 68 percent of the total figure. This increase can be seen only as a firm desire on the part of the Romanians to normalize trade relations with the United States and to continue to solidify recent moves that Romania has made to become a full-fledged member of the world economic community.

Testimony by Under Secretary of Commerce John Tabor before the House Subcommittee on Trade on this Trade Agreement indicated that under the terms of the Agreement, total United States-Romanian trade should reach a level of \$1 billion by 1980. With this tremendous potential for export of U.S. goods and services, the need to assure non-discriminatory treatment is readily apparent.

Coal is one energy resource which the United States has in great abundance.

It has been and should be exported in order to improve the U.S. balance of trade and, at the same time, to create jobs for American workers and profits in the U.S. economy.

Island Creek, the third largest coal company in the United States, produces steam and metallurgical coal from mines in Kentucky, Pennsylvania, West Virginia and Virginia. We have an aggressive program to increase our exports of coal to various nations.

The Romanian steel industry is expanding at a higher rate. This expansion will substantially increase the demand for coking coal.

We have cordial relations with the Romanians which we interpret as a sincere interest on their part for the legitimate development of trade and friendship with us. We believe this should be welcomed and reciprocated. Today about 50 percent of Romania's trade is with the West, but only about 6 percent of that is with the United States. This potential market is of noteworthy value to the United States.

Under the terms of the Trade Act of 1974, the opportunity for increasing our trade is greater than it has ever been before. It is an opportunity that cannot and should not be missed. At a time when our country is reevaluating its role in world affairs, its future strength and leadership must depend in important respects upon the tremendous economic role that it can and must continue to play.

I urge the Committee to approve the proposed Romanian Trade Agreement.

---

INSTRUMENT SYSTEMS CORPORATION,  
June 8, 1975.

MR. MICHAEL STERN,  
*Senate Finance Committee, Dirksen Senate Office Building, Washington, D.C.*

DEAR MR. STERN: Pursuant to our telephone conversation regarding my request to testify before the Senate Finance Committee regarding MFN status for Romania, we are presenting our statement in favor of MFN for Romania as follows:

Whereas Instrument Systems Corporation and the Ministry of Chemical Industry of the Socialist Republic of Romania have entered into a contract dated December 8, 1973 for the establishment of various joint venture operations in Romania and have an intent to import certain products manufactured in Romania to the United States, we strongly support MFN tariff status for Romania.

From the viewpoint of granting MFN to Romania for the purpose of stimulating trade between the United States and Romania, we also believe that it is a factor in favor of improving international relationships between the respective countries. Romania has obtained membership in the International Monetary Fund and has negotiated Export/Import Bank credits. Romania has acted in good faith in maintaining a surplus of trade in favor of the United States and, as a matter of fact, is seeking to further expand its Export/Import Bank credits to purchase American machinery and equipment. I am personally aware of the fact that the Minister of Chemical Industry, Mr. Mihail Florescu has visited the Export/Import Bank recently for the purpose of establishing credits of approximately \$1 billion to be spent over a period of five years for United States manufactured equipment and machinery to be used in the petrochemical industries of Romania. Should the world's supply of petrochemical industries become critical again in the near future when the economy of the United States rebounds, then it would be most beneficial to the United States to have available a substantial source of supply for plastic resins.

The granting of MFN treatment to Romania by the United States is of paramount economic importance to Romania at this time. Principally, their desire is to be treated on an equal basis with other countries who enjoy MFN status with the United States. In my personal discussions with President Ceausescu and Premier Manca Manescu during my recent visit to Bucharest, Romania, I found a sincere expression of friendship to the United States. The Romanian leaders expressed to me a desire to export more goods to the United States and, therefore, have more dollars to pay for United States equipment.

In visiting many Romanian factories, I found large numbers of Italian, German, Japanese and Russian equipment and machinery. The purchase of United States equipment in recent years has been minimal. However, their experience with the reliability and quality in using United States equipment has created a desire for buying more of the same.

Politically, I was told many times that the government of Romania is pursuing a policy of independence as far as possible in their relationships with the Soviet Union and the granting of MFN would play a significant role in strengthening these policies. On the other hand, if MFN is not granted, then I believe that Romania would probably continue to be dominated in her policies by the Soviet Union. With regard to MFN and Romanian policies regarding immigration, I believe that Romania's record speaks for itself. Approximately 300,000 to 400,000 Jews have immigrated to Israel following World War II and Romania continues to allow emigration at this time of all minorities out of the country.

I respectfully request, therefore, that MFN status be granted to Romania.

Very truly yours,

EDWARD J. GARRETT,  
*President.*

STATEMENT BY JOHN O. LOGAN, PRESIDENT AND CHAIRMAN OF THE BOARD,  
UNIVERSAL OIL PRODUCTS COMPANY

I am John O. Logan, President and Chairman of the Board of UOP (Universal Oil Products Company). UOP is a multinational U.S. corporation and its basic strength and experience lies in commercializing technology primarily in three areas—energy, environmental improvement, and technological products and services. Our capabilities are based on the Company's history of excellence in research and development, engineering design and development, erection and construction, manufacture of special equipment and products and highly technical consulting and operating services.

Internationally on an ever broadening scale, UOP continues to be a major provider of design, engineering, procurement, and construction services for a variety of petroleum, petrochemical and other processing facilities. We have already completed more than 2,000 such projects around the world in such places as Borneo, Newfoundland, Korea, Algeria, Romania and others.

I am especially grateful to have this opportunity to speak on behalf of our views regarding Senate Concurrent Resolution 35. UOP strongly endorses Congressional approval of the Agreement on Trade Relations between the United States of America and the Socialist Republic of Romania, and the extension of nondiscriminatory tariff status (MFN) with respect to the products of the Socialist Republic of Romania. The U.S.-Romanian Trade Agreement, now before you serves the best interests of the United States.

UOP's relationship with Romania dates back to 1928 when our company first sold a thermal cracking unit to privately owned refining interests in Romania which were later absorbed into state owned refining enterprises. Since 1965, UOP has concluded several major projects in Romania. These projects include:

(a) The first major installation after the war of a large petroleum processing unit designed, engineered and constructed by a U.S. firm. This was the installation of a Fluid Catalytic Processing Unit. The financing of the installation was guaranteed by the Export-Import Bank and was pursuant to a protocol signed by the U.S. and Romania.

(b) Two additional Fluid Catalytic Cracking Process units for the production of motor fuels.

(c) A UOP Parex Process unit for the production of paraxylene.

(d) A UOP Molex Process unit for the production of normal paraffins; and

(e) A Unibon-UOP Platforming Process unit for the production of motor fuels.

The total post-war contract value of these sales exceeds \$36 million. U.S. equipment purchased by the Romanians associated with the above technologies also contributed to additional foreign purchases in the U.S. Our relationship with the Romanian government throughout this period has been marked by mutual cooperation and trust. This relationship now stands as a beneficial one for both our company and the Romanian people. We are now discussing many additional projects with the Romanians and look forward to continued friendly business relations.

In 1951 the international situation resulted in the withdrawal of the previously existing MFN status for Romania. This withdrawal, as then prescribed in the Trade Agreements Extension Act of 1951, came at a time of cold war confrontation. During the past quarter century we have moved from an atmosphere of

confrontation to an area of growing mutual respect in political and economic affairs. U.S. relations with Romania have improved consistently on all fronts, and this progress has been evidenced by the signing of numerous political and economic accords by U.S. Presidents during the past four Administrations; significant milestones which have brought both nations to the current state of friendly relations.

Romania, by its own initiative, has taken several critical steps toward becoming an integral part of the world's international trading community. It sought and obtained membership in the GATT, IMF, and World Bank. It recently hosted the World Population Conference, and continues to make domestic legislative and administrative reforms designed to facilitate and expand commercial relations with the U.S. and other Western nations. These initiatives clearly demonstrate the sincere intent of Romania to develop expanded and stable economic policies without breaking traditional relations or agreements with its neighbors.

Significantly, Romania has maintained a vigorous independent foreign policy and has a favorable relationship with both Israel and the Arab nations. Politically, it is recognized that Romania has been the most liberal of all Eastern nations in matters of trade.

Romania's new five-year plan is now being formulated and will provide long term business opportunities which will include numerous projects with Western nations. Romania's current foreign trade with industrialized nations of the West amounts to approximately 50 percent of its total foreign trade. Only six percent of Romania's trade with the West is with the United States. Romania is now receiving exporter credits from West European countries which, without a trade agreement with the United States, will put U.S. industry at a severe competitive disadvantage.

Romania has maintained an impressive growth rate in recent years. In 1960 its GNP equaled \$13.7 billion. In 1972 its GNP had grown to \$28.8 billion—an annual rate of 6.2 percent. Romania's primary objective is rapid development and modernization of industrial capacity which will require new purchases of modern equipment and technology. In 1974 total U.S. trade with Romania equaled \$408 million. With MFN treatment, it is estimated that by 1980 this total could exceed \$1 billion.

MFN status will facilitate the conduct of business with Romania through improved communication between Romanian buyers and U.S. companies, access to firms, organizations and other users, and will allow for freedom to travel and reside in each others territory for business purposes. MFN status would also allow for access to courts and administrative bodies for the settlement of disputes. It will enable U.S. firms investing in Romania to utilize the Overseas Private Investment Corporation (OPIC) and make funds available from the Export-Import Bank to allow U.S. exporters to compete fairly with foreign government subsidized corporations.

Overall, UOP has found the Romanians to be good businessmen and dependable customers. The Romanians have demonstrated to us a keen interest in fostering joint venture cooperation with U.S. companies and offer an excellent link to Third World Markets for U.S. goods and services, a market in which U.S. companies have had difficulty in penetrating. Joint venture activity is most likely in the areas of engineering, machine building, electrical machinery and equipment, electronics, chemicals and petrochemicals, petroleum, mining, food processing and word processing. A few joint ventures already exist between U.S. and Romanian enterprises.

UOP whole-heartedly recommends approval of Senate Concurrent Resolution 35 and believes granting MFN status to Romania represents a fundamentally sound policy for the United States. U.S. industry would benefit by such an agreement because Romania represents a large market for U.S. produced products and services for which we now have surplus capacity. Without approval of this agreement, U.S. companies will continue to hold considerable disadvantage in their efforts to successfully compete in the expanding Romanian markets. We believe Romanian products, which will be available for sale in the U.S., will pose no disruptive problems for domestic industry and that there are safeguard provisions of this agreement to prevent such disruptions. Finally, if this trade agreement is approved, we expect that the expansion of trade will benefit both countries and should result in expanding U.S. employment opportunities as well as serving as an important step in opening market opportunities for United States commerce in non-market economies. Because of these specific benefits,

to our economy, the necessary safeguards to our domestic industry and the general beneficial political climate which will result, I urge you most sincerely to endorse this agreement and thereby demonstrate the workability of the Trade Act of 1974 and begin the much needed steps to improve the U.S. international commercial posture.

Thank you.

#### SOURCES

1. U.S. Department of State
2. U.S. Department of Commerce
3. Office of the Special Representative for Trade Negotiations, Executive Office of the President
4. Romanian Embassy, Washington, D.C.
5. U.S. Tariff Commission, Staff Research Study No. 6, "Impact of Granting MFN Treatment to the Countries of Eastern Europe and the Peoples' Republic of China" (1974)
6. National Association of Manufacturers
7. Romanian-U.S. Economic Council
8. Chamber of Commerce of the United States

SERKO & SIMON, COUNSELORS AT LAW,  
New York, N.Y., June 4, 1975.

Hon. RUSSELL B. LONG,  
Chairman, Senate Finance Committee, U.S. Senate,  
Washington, D.C.

DEAR SENATOR LONG: The Law Firm, Serko & Simon of New York, wishes to submit by means of this statement its position in support of Senate Concurrent Resolution 35, approving the bilateral Agreement on Trade Relations between the United States of America and the Socialist Republic of Romania.

#### INTRODUCTION --

Our special interest in the area of East-West trade relations stems from the fact that our firm specializes in Customs and Trade law. Our clients, American importers, are vitally interested in reduction of the tariff duties applied to the commodities which they would like to import or are already importing from Romania. This objective can only be reached if most-favored-nation treatment is extended to Romania by approval of the agreement.

Our interest in the area of American-Romanian economic and trade relations is amplified by the fact that a member of our staff, Mr. Justin Herscovici, was an attorney in Romania for eleven years, before he emigrated to Israel in 1970 and came to this country in 1971. He is working toward his Master's Degree in law (international legal studies). One of his areas of expertise is the extension of the M.F.N. clause to socialist countries. He keeps informed and keeps a close eye on events connected with his country of origin.

BOTH COUNTRIES HAVE BEEN MAKING STRONG EFFORTS TO DEVELOP GOOD RELATIONS.  
— THESE SHOULD BE SUPPORTED BY GRANTING MOST-FAVORED-NATION TREATMENT

The conclusion of the Agreement on Trade Relations between the United States and Romania comes at a moment when the political, economic and cultural relations between the two countries have undergone a very favorable development. The U.S. and Romania have already concluded bilateral agreements in several important areas: Aviation, Claims, Consuls, Cultural Relations, Fisheries, and Investment Guarantees. Recent efforts have been made by both countries to reduce barriers and expand trade between them. The United States has taken various steps in this direction. For example, it has given Romania special treatment in the area of export control regulations, extending the financing facilities of the Export-Import Bank and making Romania eligible for the investment guarantees and other programs of the Overseas Private Investment Corporation.

In Romania, there have been legislative changes to facilitate and increase the economic and trade relations with the West. For example, it enacted trade legislation in 1971 and 1972 which permitted foreign equity investment, as well as the establishment of commercial offices by foreign firms in Romania. Another important development which has made the ties between our country and

Romania closer is the latter's membership in the International Monetary Fund and World Bank.

Finally, the continued growth of trade in both directions and the importance attached to their economic ties is illustrated by the establishment of (1) the Joint Economic Commission, formed to coordinate the work of expanding economic relations and of (2) the U.S.-Romanian Economic Council, which is the direct connection between the U.S. private sector and Romanian trade organizations. Over the past few years, trade between Romania and the West has been increasing. The percentage of Romanian imports from the industrial West has grown, while the percentage from Eastern Europe and the U.S.S.R. has declined.

Institutionalizing the economic relations of both countries is the right move, since the present structure by which we are trading with each other is no longer sufficient. What was previously missing was a comprehensive trade agreement setting up the legal framework by which large scale trade exchanges and business cooperation between the countries can be safely conducted. Our government concluded an Agreement on Trade Relations with Romania which was signed on April 2, 1975 and is now before the Congress awaiting approval. This Agreement includes the extension of nondiscriminatory or most-favored-nation tariff treatment to Romanian and American products. We would like to strongly affirm our support of the Senate Concurrent Resolution 35, approving the bilateral commercial agreement between the United States and the Socialist Republic of Romania.

THE PRESIDENT'S DETERMINATION THAT MOST-FAVORED-NATION TREATMENT FOR ROMANIA NOW IS IN THE NATIONAL INTEREST IS SUPPORTED BY THE RECORD

On April 25, 1975, the President transmitted to the Senate together with the Agreement, a proclamation extending non-discriminatory tariff treatment to Romania based on his determination that the trade agreement will promote the purposes of the 1974 Trade Act. There was, thus, a determination by the President that such trade agreement is in the national interest.

The positive role played by Romania in the area of foreign policy should be taken into account. For example, Romania has played constructive roles in (1) helping normalize relations between the United States and the People's Republic of China and in (2) facilitating the start of negotiations between the United States and North Vietnam.

The special position of Romania in Eastern Europe should also be stressed. Romania is carrying out a policy of independence and continued improvement of its relations with the West. This policy should be welcomed and supported by the United States by all means, including economic and trade areas, so as to allow her to promote and preserve her economic independence.

THE ECONOMIC INTERESTS OF THE UNITED STATES IN A COMPETITIVE WORLD MARKET FAVOR THE GRANTING OF MOST-FAVORED-NATION TREATMENT TO ROMANIA

There is a special American interest in trading with Romania, because the rate of bilateral exchange between the two countries runs 3 to 1 in favor of American export. That means more jobs for Americans working for industries which manufacture goods and technology for export, the improvement of the American balance of trade, as well as expanded trade and resulting economic interdependence.

In this time of international energy crisis it is important that the United States have access to as many sources of energy as possible. M.F.N. treatment will facilitate greater American importations of energy sources and energy related materials from Romania. At the present time, petroleum and oil products constitute a substantial proportion of Romanian exports to the United States.

The problem of the extension of nondiscriminatory treatment to Romania is of the greatest importance for the future development of Romanian-American trade. A refusal or postponement of extension of the M.F.N. clause will undoubtedly have negative effects.

The Romanian-American Agreement on Trade cannot become effective without the extension of M.F.N. treatment. Such nondiscriminatory treatment will allow products which otherwise would not be competitive, to compete in the American market. This, in turn, will allow greater American exportations, since Romania will have added currency to pay for purchases in the American market.

In addition, the entry of Romanian products at competitive prices should be of benefit to the American consumer, help reduce inflationary tendencies in this country (see exhibit A underscored portion, Business Week Article 6/2/75),<sup>1</sup> and benefit that domestic sector of our economy involved in the importation of goods. Imports support very substantial employment in the service, transportation, labor and manufacturing sectors.

Moreover, other countries, including those in Western Europe, as well as Canada and Japan have already extended M.F.N. treatment to Romania. They have penetrated the Romanian market. A denial of M.F.N. treatment by the United States will allow this penetration to intensify in the future, to the detriment of the United States.

Recent developments following the inability to grant M.F.N. treatment (in this instance to Russia) have demonstrated that negative trade results follow for the United States and benefits accrue to other competitive countries (see attached exhibit B, Business Week, Article 6/2/75).

**ROMANIA'S PAST EMIGRATION POLICIES AND THE PRESIDENT'S FINDINGS ARE  
SOUND REASONS TO SUPPORT GRANTING M.F.N. TREATMENT AT THIS TIME**

The President allowed a waiver of the free emigration requirement in the case of Romania, based on his determination that the waiver will promote freer emigration and based on assurances he has received that the emigration practices of Romania will lead substantially to free emigration.

We strongly support the position that every country should respect the right of its citizens to be free to emigrate to the country of their choice.

It is fair to note that despite the heavy pressure exercised by foreign anti-Israeli forces, Romania has allowed a substantial number of Jews to emigrate to Israel (approximately 400,000 since 1949). Romania's record is strong in this regard, considering that a quarter of Israel's population is composed of Romanian Jews.

It is the only Communist country which has maintained continued diplomatic relations with Israel, elevating their diplomatic mission to the embassy level and developing strong economic ties with Israel. It is our strong belief, that if M.F.N. treatment is granted, the pending applications to emigrate will be favorably solved by the Romanian authorities. Another important effect may be that perhaps other applications will be made by persons who will be encouraged to apply and could not decide before whether to do so.

The extension of M.F.N. to the non-market countries has become essentially a political issue. This is the reason that when a decision in this respect is made the full record of every country should be analyzed and taken into consideration. In the case of Romania, for the reasons mentioned above she deserves to receive the nondiscriminatory trade treatment desired.

It should be added that it is our belief that the waiver of the emigration requirements in this case should serve as a decisive influence toward liberalization of Romania's emigration policy. Moreover, it should constitute a positive example for other non-market countries interested in receiving the same treatment.

Finally we would like to comment on an area raised during the hearings held in the Ways and Means Committee of the House of Representatives on May 7, 1975. The speakers referred to the situation of the "Magyars minority" in Transylvania (Romanian province) and alleged that certain discriminatory measures have been taken by the Romanian government against it.

The legal analysis of Section 401 and 402 of the Trade Act of 1974 reveals that the only limitation provided for eligibility of products from any non-market economy country to receive nondiscriminatory treatment is exclusively in the area of emigration rights, and this is the only area which should receive consideration under the law, in any review of the President's exercise of his waiver authority.

On the factual question of the "Magyar minority" one who is familiar with the situation in Romania, as is Mr. Justin Herscovici of our office, can offer some observations which would indicate the contrary of the allegations of discrimination against the "Magyar minority."

There are constitutional guarantees to equal rights for all the nationalities in all fields of economic, political, juridical, and cultural life. [Art. 17 of the Romanian Constitution].

<sup>1</sup> The exhibits were made a part of the official files of the committee.

A look at official statistics would reveal the participation of Magyars in all bodies: party, government, people's councils, as well as in key positions in industry, agriculture and transportation units. The free utilization of the Hungarian language is insured. Favorable conditions exist for Magyars as far as public education on all levels, including courses in the Hungarian language. There are various publications, radio and TV programs, theatres and musical institutions in the Hungarian language.

The analysis of any geographic-economic map will show that Transylvania is one of Romania's most industrialized provinces. The fact that some Magyars are not placed in heavily populated Magyar areas upon graduation from colleges or universities is due to the fact that graduates are placed on the basis of grades.

It is interesting to note that unlike the problem of Jewish emigration, this so-called problem of the "Magyar minority" has not to our knowledge, been the subject of prior complaint or discussion in an international forum.

#### CONCLUSION

The President's findings enabling him to waive the emigration requirements in the case of Romania as being in the national interest and tending to promote the emigration policies of Sec. 402 of the Trade Act of 1974, are in our opinion amply supported by the record and by the probabilities which one can reasonably predict based on human experience.

As an American, (naturalized) and as a Jew, and proud to be both, the writer is of the opinion that the cause of human rights and the interests of our country can best be served by congressional approval.

After all M.F.N. status can be easily revoked if not warranted, but if its granting allows only one person to have the freedom of choice of the country in which to live, then we say let's try it.

Sincerely,

DAVID SEBKO.

THE BOEING COMPANY,  
Seattle, Wash., June 3, 1975.

Hon. RUSSELL B. LONG,  
Chairman, Committee on Finance, U.S. Senate, Dirksen Senate Office Bldg.,  
Washington, D.C.

DEAR SENATOR LONG: I appreciate this opportunity on behalf of The Boeing Company to make a statement for the record on the Agreement on Trade Relations between the United States and the Socialist Republic of Romania (the Romanian Trade Agreement) which was submitted to the Congress by President Ford on April 24, 1975.

The Boeing Company believes that the Romanian Trade Agreement is vital to further significant development of U.S.-Romanian trade relations. Better trade relations will, in turn, provide a solid basis for beneficial expansion of cultural and other relations between the two countries. The Boeing Company therefor urges the adoption by the Senate of Senate Concurrent Resolution 35 approving the bilateral commercial agreement between the United States and the Socialist Republic of Romania.

Aerospace products have long been one of the most significant commercial exports of the United States. Over the past five years, 1970 through 1974, our industry has exported about 23.6 billion dollars worth of goods and services. Three-quarters of such sales were civilian. Two-thirds of the heavy jet transports delivered during that period were for foreign customers. Last year total aerospace exports reach 7.1 billion dollars (7.3 percent of the U.S. merchandise trade total) and of these 5.3 billion dollars were civilian.

Expressed in terms of employment opportunities, aerospace exports provide the equivalent of about 200,000 full-time jobs for aerospace workers and about 300,000 jobs in other industries. That is, about half a million U.S. workers owe their jobs to aerospace exports and roughly three-quarters of these jobs are dependent on the export of civilian products.

The majority of Boeing's commercial jet transport sales in the 70s have been to foreign airlines. This is a recent development and as late as 1969 nearly two-thirds of our sales were domestic. There was, however, a period starting in 1970 when for 17 months we failed to make a single domestic sale to a U.S. trunk airline. Foreign sales kept our production lines open then. In 1974 Boeing had 1.6 billion dollars in foreign sales which was 75 percent of our total sales



of commercial jet transports. Foreign customer purchases accounted for 26 of the 29 Model 747s ordered during 1974, all 17 Model 707s, 43 of 95 Model 727s, and 44 of 47 Model 737s.

Employment by Boeing in the manufacture of commercial jet aircraft is, of course, directly related to the number and type of aircraft to be built. At the present time, 73 percent of Boeing employees engaged in commercial airplane manufacture are working on aircraft which will be exported. Since the first of this year, Boeing's total Seattle-area employment, where commercial jet transports are manufactured, has declined by approximately 2,700 and now stands at 52,000.

One of our most widely-noted recent foreign sales was the sales to the Peoples Republic of China in September 1972 of ten Boeing Model 707 aircraft. This was followed in March 1973 with the sale of three Boeing Model 707s to the Socialist Republic of Romania. When negotiations for those two sales were starting, detente was in its infancy—Boeing was a pioneer.

Boeing has also actively supported our government's efforts to establish commercial relations with Eastern Europe for the past four years, and its objective of expanding U.S.-Eastern European trade. The first major positive result was the initial Romanian purchase of Boeing Model 707s.

In 1972, the total trade between the U.S. and Romania amounted to only \$100 million, but by 1974 it had climbed to over \$400 million. The increases in trade was the result of a number of factors, of course, but the Boeing \$44 million sale in 1973 was an important contribution. When the President of the Socialist Republic of Romania visited the U.S. in December 1973, a "Joint Statement on Economic, Industrial and Technological Cooperation" was issued. The statement was a reaffirmation of the Administration's earlier commitment to seek non-discriminatory tariff (MFN) treatment for Romanian goods entering the United States. It is unfortunate that this goal has not yet been achieved.

Boeing's 1973 sale to Romania, financed in part through the Export Import Bank of the United States (Eximbank), was the first U.S. aircraft sale to a Comecon country, and was also the largest single U.S. transaction with Romania up to that time and, as far as I know, still is.

Additional aircraft sales opportunities to Romania and other Eastern European countries exist at the present time. We estimate that there is a market potential there (excluding the Soviet Union) of at least \$100 million through 1980. However, this is a market which we will likely lose without better trade treatment for Romania and the other Comecon countries. The momentum achieved by our first Romanian sale will be lost and our anticipated follow-on business will not materialize without non-discriminatory tariffs. This is borne out by the 1975 Romanian decision to purchase five BAC 111-500 aircraft from the British instead of five Boeing Model 727-200 aircraft which were being considered. If the Romanian Trade Agreement had been in effect last year, we feel we would have been successful in that sales competition. The Romanian Trade Agreement is now a requirement for granting Eximbank credit and without the credit we were unable to make the sale. Also, without the non-discriminatory tariff treatment, Romania's trade balance with the U.S. is negative which was another factor cited in giving the sale to the U.K.

Now Boeing is engaged in a new competition for sale of additional aircraft to meet Romanian needs which represents a sales potential of about \$55 million. It is clear from our negotiations to date that we will not be successful unless Romania gets non-discriminatory treatment in the next few weeks. Since we know they will be buying more aircraft and other aeronautical equipment in the future, we are therefore urging prompt Congressional approval of the Romanian Trade Agreement. We do not want to lose more sales to the United Kingdom, the Soviet Union or anyone else for lack of acceptable bilateral trade relations. Boeing firmly believes that granting non-discriminatory tariff treatment to Romania will help us develop a competitive edge in East-West trade, and will benefit the overall trade goals of the U.S. It will also serve the long-term interests of the American people. Romania's position in Eastern Europe, pursuing an independent policy line, is unique, and Romania has shown great political courage in maintaining its national sovereignty. It has refused to compromise its economic development and is the only Comecon country with membership in the IMF and the World Bank.

The U.S. interest in detente and general East-West relations are benefited by this independence, and we feel sure that the Romanian Trade Agreement will be a valuable assist to its continuation. It would also be consistent with our treatment

of two other Eastern European nations—Poland and Yugoslavia—which now enjoy non-discriminatory tariff treatment by the U.S.

For the foregoing reasons, we hope that the Congress will take early action on the Concurrent Resolutions before it, approving the Agreement on Trade Relations between the United States and the Socialist Republic of Romania.

Respectfully,

M. T. STAMPER,  
*President.*

---

"VULTURUL" ROUMANIAN BENEFICIAL AND CULTURAL SOCIETY,  
W. Homestead, Pa., June 7, 1975.

Re: Romania—Most Favored Nation.  
FINANCE COMMITTEE,  
U.S. Senate,  
Dirksen Senate Office Building,  
Washington, D.C.

DEAR MR. STERN: The undersigned are both citizens of the United States of America, and are residents of the Commonwealth of Pennsylvania and we represent the "Vulturul" Romanian Beneficial & Cultural Society as President and Secretary representing the Romanian people of Allegheny County.

We would have liked to appear personally before your Committee, as our society would like to be heard by your Committee on the subject of the granting Romania a "Most Favored Nation" status, but being impossible to appear, we humbly request that this letter be read into the record of your hearings on this subject.

We believe that granting Romania "Most Favored Nation", will promote increased trade between the two nations thereby resulting in additional contacts with officials and citizens of both nations which will have a salutary effect for the people of both nations. President Ford believes that granting of such status is in our national interest and the Romanian government has agreed to relax its emigration policies for the citizens of Romania so as to result in substantially free emigration for those citizens who might wish to emigrate.

In the hope that your committee will take notice of our plea and GRANT Romania "Most Favored Nation," we are

Sincerely Yours,

CHARLES STREZA,  
*President.*  
ANDREW STREZA,  
*Secretary.*

---

#### STATEMENT OF REV. ANCHIDIM USERIU

Mr. Chairman, members of the committee, this statement is submitted in the name of the Romanian emigration people listed in appendix.

My name is Anchidim Useriu, Parish Priest of the Romanian Orthodox Church in Washington, D.C.; I am a U.S. citizen.

At the outset, I want to declare that I am not against "Most Favored Nation" treatment for Romania. I am not against it, because I am also a son of Romania.

But I want to stress one thing;

Romanian Government is morally and legally obligated to respect the commitments taken when he was accepted into the U.N. organization and when he signed the Declaration of the Human Rights.

We have here, in the U.S., many people who have been separated from their families in Romania. The Romanian communist Government does not permit the family members to leave Romania in order to rejoin their husbands or wives or fathers or children.

Here are some cases which are concrete evidence that the emigration in Romania is not free:

1. Mrs. Dolna Vircol, who lives in Chicago with her 4 years old son. She came from Romania 3 days before her father Vasile Posteuca, poet and University Professor, American citizen, died in a hospital in Chicago. Her husband, Alexis, is not allowed to leave Romania to rejoin his family. Mrs. Vircol together with her 4 years old son, spent 3 weeks in New York City last September (1974) demon-

strating in front of the U.N. building. Her husband is still in Romania at this date. He has not yet received permission to leave Romania.

2. Mr. Constantin Rauta, a refugee who is living here in Washington, D.C. His wife Ecaterina and 2 years old son Mihai, are in Romania. They have been trying since December 1973 to get permission to leave Romania and come to U.S. to join her husband and respectively, father. They have not yet received permission to leave Romania.

3. Mr. Paul Ciupei, lives in Chicago with his wife. They have in Romania three children; 6, 8, and 10 years old. They have not yet received permission to bring their children to the U.S.

4. Mr. Vasile Puscas, lives in Chicago. His wife and a daughter are in Romania. They have not yet received permission to leave.

5. Mr. Ionel Cheie of Chicago, has his wife and daughter in Romania. They have not yet received permission to leave.

6. Mr. Ionescu Lungu of Chicago, has his wife in Romania. She has not yet received permission to leave.

The other similar cases are included in appendix.<sup>1</sup>

Mr. Chairman, I want to close my statement with the words of Our Lord and God, Jesus Christ: "WHAT GOD UNITED, LET NO MAN PUT ASUNDER".

Rev. ANCHIDIM USEBU.

#### STATEMENT OF ATALANTA CORP., SUBMITTED BY MAX N. BERRY, COUNSEL

##### SUMMARY

- I. Description of Atalanta Corporation.
- II. Submission of 1974 annual report.
- III. Economic reasons for extending most-favored-nation treatment.
  - A. The American-Romanian trade relationship today.
  - B. Future trade with passage of the Romanian-United States Trade Agreement.
  - C. The agreement.
    1. Business facilitation.
    2. Safeguards.
  - D. Summary.
- IV. Political reasons for extending MFN.
- V. Conclusion.

Mr. Chairman and members of the Committee on Finance, I am pleased to have this opportunity to submit written testimony in favor of S. Con. Res. 35, providing for Congressional approval of the United States-Romanian Trade Agreement which was signed on April 2, 1975.

My name is Max N. Berry, and, as Washington Counsel for the Atalanta Corporation, I am presenting this statement in their behalf.

##### I. DESCRIPTION OF ATALANTA CORPORATION

First, I would like to briefly provide the Committee with background information regarding Atalanta, which indicates the company's wide experience in East-West trade and which explains its interest in presenting this testimony to the Committee. The Chairman of the Board of Directors of Atalanta, Mr. Leon Rubin, was presented in 1973 with a Certificate of Appreciation from the City of New York for his "efforts on behalf of East-West trade," which span over a period of time exceeding twenty-five years to the benefit of our United States economy.

Atalanta is a marketing organization for a broad variety of high quality food items, that are imported into the United States from 42 countries, which it distributes throughout the United States. Its home office is located at 17 Varick Street, New York City, with sales outlets in Atlanta, Boston, Chicago, Dallas, Indianapolis, Los Angeles, Miami, Milwaukee, Phoenix, Raleigh, and San Francisco.

During 1974, Atalanta enjoyed increased sales of its products for the twenty-eighth consecutive year, totaling \$207.3 million. A breakdown of these sales for each food product sold by Atalanta in 1974 is as follows: canned ham and other canned pork products, \$121.7 million; seafood products, \$37.1 million; cheese

<sup>1</sup> The appendix was made a part of the official files of the committee.

products, \$16.1 million; frozen beef and other meats, \$21.2 million; and miscellaneous canned and specialty food products, \$11.2 million.

For almost twenty-five years Atalanta has been the exclusive sales outlet of canned hams and other pork products from Poland, a country already enjoying "MFN" status. Since 1969 and 1970, Atalanta has had a similar relationship with Hungary and Romania, and is the major importer of these countries' food products. With respect to Romania, during 1974, Atalanta imported \$12.5 million of Romanian canned hams. Atalanta, therefore, maintains a leading role in doing business with Romania and other Eastern European countries. Atalanta's President, George Gellert, was recently elevated to be Vice Chairman of the Romanian-United States Economic Council at its meeting in Washington on May 29 and 30. The Council operates under the administrative aegis of the Chamber of Commerce of the United States but is autonomous in matters of policy. His selection indicates Atalanta's interest in United States-Romanian trade.

## II. SUBMISSION OF 1974 ANNUAL REPORT

A copy of Atalanta's Annual Corporate Report for 1974 is attached to this testimony for the Committee's information.

## III. ECONOMIC REASONS FOR EXTENDING MOST-FAVORED-NATION TREATMENT

In recent remarks to the Romanian-United States Economic Council, William J. Casey, President and Chairman of the Export-Import Bank, characterized the United States and Romania as "natural trading partners". In a strong appeal for approval of the American-Romanian Trade Agreement, Casey demonstrated the manner in which our respective economic needs compliment each and applauded Romanian steps toward the facilitation of Western business within her borders.

As he stated, conditions which led to denying Romania MFN treatment of her exports in the Trade Agreements Extension Act of 1951 have changed dramatically. Apart from politics, America is no longer the economic Goliath she was in 1951. We have entered an era of deficits and of dependence on foreign resources. The present disruption of international monetary commodity and trade markets places a premium on economic relationships which promote American economic growth. Our relationship with Romania today offers such promise; but it awaits the elimination of trade barriers on our part before it can realize the full measure of its potential. Congress should act quickly in eliminating the barriers we have imposed on the development of a mutually beneficial economic relationship.

### A. The American-Romanian Trade Relationship Today

1974's total bilateral trade amounting to 409 million dollars represents the culmination of sudden and spectacular growth in trade between the two countries. Just seven years ago, bilateral trade totaled 23 million dollars. Growth is reflected in the following figures setting forth American imports and exports to Romania since 1966:

#### UNITED STATES TRADE WITH ROMANIA

[In millions of dollars]

Year	Total U.S. exports	Total U.S. imports
1966.....	27	4.6
1967.....	18	6.0
1968.....	17	6.0
1969.....	32	8.0
1970.....	60	13.0
1971.....	53	14.0
1972.....	69	32.0
1973.....	116	55.0
1974.....	278	131.0

Source: U.S. Department of Commerce.

This growth reflects a variety of factors. Romania's policy of independence and cooperation with all nations has resulted in the highest percentage of Western trade among all COMECON nations. Presidential diplomacy, initiated

in 1969, has led to a unique series of agreements and exchanges improving bilateral relations and the trade environment. Romania's 1971 Foreign Trade Law, the only one of its kind in East Europe, now permits foreign equity participation in joint ventures on Romanian soil. New regulations authorizing United States and other Western businesses to open offices have stimulated the growth of Western presence in Romania. Atalanta currently maintains an office in Bucharest. Most recently, our two nations established the Joint American-Romanian Economic Commission to act as a clearinghouse for economic possibilities, and to review and recommend action for the development of our economic relationship.

Romania has taken general steps with a view towards improving relations with the West and enhancing investor confidence. Romania is now a member of the GATT and the IMF. Pursuant to the Trade Agreement under consideration by this body, Romania subscribes to the Convention of Paris for the Protection of Industrial Property, and the Universal Copyright Convention. In the past, Romania turned frequently to Exim-OPIC financing to aid imports.

American exports fall primarily in the field of capital goods and food. Romanian imports consist primarily of oil products (65 percent of all exports) and manufactured consumer items, such as the canned hams which Atalanta markets throughout the United States. The relationship, therefore, is complementary. Romania represents a very large market for U.S. produced capital goods for which this country has an excess capacity. Romanian imports, on the other hand, have and will have a high raw material and low labor content and thus aid rather than hinder the American economy.

In many ways the most important characteristic of Romanian-American trade recently has been the consistent surplus the United States has enjoyed. This surplus is somewhat exaggerated, since American exports receive Romanian preferences while Romanian exports do not. Nonetheless, the surplus is an accurate reflection of our healthy export business—principally food, oil field exploration and drilling equipment, commercial jet aircraft, a tire plant, compressors, turbines, and other capital items in return for mineral fuels and lubes and other small manufactured items.

Despite this, American-Romanian trade is not as good as it should be. Our discriminatory treatment of Romanian imports has stunted the potential of Romanian-American trade. In 1974, American trade accounted for only 3 percent of Romania's total foreign trade, or 6 percent of the overall trade Romania transacted with Western countries. We are ceding a market to Western nations with more aggressive export policies. Romania leads all nations of COMECON by doing 50 percent of her trade with the West—discriminatory treatment of Romanian imports has reduced our portion of it far below its potential and Romania's desire.

Similarly, the Export-Import Bank suspended doing business with Romania after passage of the 1974 Trade Act. Exim is designed to facilitate the export of American goods. Without Exim assistance, American exporters face compounded difficulties in putting together sound financial packages vis-a-vis exporters of other Western nations laboring under no such obstacle.

American firms having had the opportunity to do business with Romania to date have found the experience beneficial. In 1975, Atalanta will import approximately 14 million dollars in Romanian canned hams which will equal approximately 10 percent of total Romanian exports to the United States. These are high quality canned hams and U.S. gourmet consumers will enjoy them. At the same time, Atalanta's purchases will give Romania additional foreign exchange to buy more U.S. goods, stimulating the U.S. rate of employment and benefiting our economy in general. Atalanta profits, the U.S. economy profits and, likewise, the Romanian economy benefits. Atalanta desires to purchase other food products such as tomato products, fruits and vegetables, should MFN be approved. Such purchases would be a further stimulus to our economy as well as to Romania's.

The Clark Equipment Company experience is another good example of the benefits of doing business in Romania. In 1974, Clark's sales totaled over 1.37 billion dollars, with overseas sales contributing in excess of one-third of this amount. In 1974, Clark employed over 20,000 persons in the United States, one-ninth of whom depended on Clark's export business for jobs. The visit of Minister Ioan Avram resulted in a tentative contract for the manufacture in Romania of powershift transmissions of Clark design. Clark's sales of components in this enterprise will amount to several millions of dollars annually for the foreseeable future, spurring Clark to build a new factory in Rockingham, North Carolina

to expand domestic production and to meet the potential Romanian requirements for components. Characteristically, Clark's export business involves manufactured equipment, what economists call "labor intensive products." Translated, according to former Commerce Secretary Peter Peterson, this means "jobs".

#### *B. Future Trade With Passage of the Romanian-United States Trade Agreement*

With Congressional ratification of the Romanian-American Trade Agreement, we can anticipate significant further growth in bilateral trade. Article II of the Romanian-American Trade Agreement itself anticipates "... that total bilateral trade in comparison with the period 1972-1974 will at least triple over the three year period of this agreement." Trade will create jobs and surpluses for the U.S. trade balance by stimulating "labor intensive" production.

Specifically, Romania is and will continue to be a promising market for American export of industrial goods. In calendar year 1974, manufactured good, machinery and transport equipment accounted for roughly 35 percent of all American exports to Romania. Since Romania's forthcoming Five Year Plan (1976-1980), anticipates an annual increase from 11 to 13 percent in foreign trade, prospects in the capital goods area are excellent with MFN.

A delegation of the Romanian heavy machine building industry led by Minister Ioan Avram toured the United States this Spring as both a follow-up to the 1973 Joint Statement and in search of prospective suppliers of heavy industrial goods to meet Romanian needs under the Plan. Preliminary assessments indicated that Romanian purchases from the United States in this field alone could surpass 100 million dollars over the next three years.

Growth possibilities exist in all areas of trade, including food, live animals, mineral fuels, chemicals, tobacco, and now, medical technology. The Five Year Plan allocates over 1.3 billion dollars for major improvements of the country's medical and health facilities, again anticipating a significant demand for imported medical technology. The United States can provide most of it. On May 20 it was announced that the first American Exposition and Congress for the biomedical, hospital and public health fields outside the U.S. would be held in Bucharest.

American trade with Poland and Yugoslavia—the only non-market countries currently receiving MFN—buttresses the overall conclusion that future trade should grow and in a manner favorable to the United States.

Current trade with Poland totals nearly a billion dollars annually, and is expected to reach two billion dollars by 1980. Polish purchases of capital goods should reach 500 million dollars in 1975 alone. Yugoslavian trade continued to grow in 1974 to levels exceeding a half billion dollars. The United States achieved a substantial surplus in both Poland and Yugoslavia in 1974.

In denying Most-Favored-Nation treatment, the United States will undermine the projected expansion of bilateral trade and risk Romanian retaliation against American exports. Romania cannot buy American goods without the foreign currency to pay for them. Romania cannot acquire the currency unless she is able to sell. Hawley-Smoot rates on Romanian exports to this country makes selling difficult. Likewise, the growth in Romanian-American trade to this date has proceeded in part on the basis of Romanian expectations of receiving MFN.

Also, without Exim participation, American firms will be in an unfavorable position to compete with other countries which can offer more favorable credit terms. In his recent speech to the Romanian-United States Trade Council, William Casey assured the delegates that Exim would resume its involvement in Romanian projects, providing she receives MFN. Over the period 1972-1974, Exim participation meant over 106 million dollars of credit, and an additional 54 million dollars in guarantees for U.S. exports to Romania.

Ultimately, the matter is a question of reciprocity. The United States cannot expect her exports to be accorded Most-Favored-Nation treatment indefinitely while continuing to impose discriminatory tariffs on Romanian exports. The United States cannot expect to share in the business potential of the Five Year Plan unless Romania has the opportunity to acquire American dollars to finance purchases. The United States cannot expect Romanians to seek to expand trade indefinitely relying on unfulfilled assurances of eventual MFN status.

#### *C. The Agreement*

Each of the objectives outlined above is promoted by this Trade Agreement. Its provisions will enhance growth in United States-Romanian trade and provide adequate security for American industry and labor.

### *1. Business Facilitation*

The several provisions in the Agreement are critical to smaller business which wish to trade with Romania. Larger businesses trade now. The Agreement opens the door to broader participation by all types of businesses.

The Article IV provision for business facilitation ends informal mechanisms for the promotion of United States-Romanian trade, establishing formal methods for direct contact between buyers and sellers, and forums for the dissemination of trade opportunities. Companies and economic organizations are now authorized to establish representatives on terms no less favorable than that accorded to representatives of third countries. Office and housing accommodations are made available for businesses, and tourism is to be facilitated. The United States and Romania reaffirm earlier commitments to encourage participation in fairs and exhibitions.

### *2. Safeguards*

Owing to socialist methods of production and to the difficulty of applying legislative nomenclature intended for free market economies to socialist procedures, non-market economies arouse fears that American industry and labor are not sufficiently protected from cheap labor or unfair trade practices. This fear is rooted in experience with legislation prior to passage of the 1974 Trade Act, and in general appears to have little basis considering our experience with Poland and Yugoslavia.

The 1974 Trade Act, taken with the United States-Romanian Trade Agreement, should assure all economic groups that trade with Romania will not penalize American interests. This protection is incorporated into the Agreement in Article III which authorizes either party to commit the other to remedies deemed necessary to alleviate "market disruption."

Safeguards generally come into play where "market disruption" is found by one party or the other. "Market disruption" is borrowed from the 1974 Trade Act and intended as a more flexible and liberal concept than the "serious injury" criterion for import relief which applies to trade with Western nations.

Procedurally, when problems are identified and after "consultation" between the two governments, the country suffering "market disruption" may insist on export restraint by the other. This is binding unless consultations produce mutually acceptable alternatives. The President has all the tools of the 1974 Trade Act at his disposal to insure the effectiveness of this provision.

Additionally, should the 90-day consultation procedure be too lengthy or "export restraint" inadequate, the President may undertake limitations and other restrictions, in accordance with Annex I to Article III, upon determination that "... an emergency situation exists." As specifically stated in Annex I to Article III, domestic employment is a specific consideration to be applied to the determination of whether "market disruption" exists, providing the President with additional flexibility in situations where trade threatens American jobs.

Article X formally acknowledges the right of either party to take action requesting its national security.

### *D. Summary*

The time is ripe for passage of this Agreement. Romania is embarked on an ambitious program of industrial expansion and needs American goods. Exports of "labor intensive" goods to Romania will create jobs. This Agreement is the first of its kind to be negotiated under the 1974 Trade Act; as such, its passage will create a precedent for similar agreements with other Eastern European countries. We have encouraged Romanian overtures to the United States in the trade field for years without delivering on the pre-condition of growth.

United States-Romanian trade relations have been a legitimate source of optimism in the course of East-West trade. Future trade relations have reached a critical juncture however, and the momentum our two nations have achieved can be lost by rejection of this Agreement. On the other hand, approval, in President Ford's words, "... will mark a very important milestone in the efforts of our two Governments to create the overall climate and specific economic principles which will promote continuing development."

### IV. POLITICAL REASONS FOR EXTENDING MFN

The conditions which led to denying Romania MFN under Section 5 of the Trade Agreements Extension Act of 1951 have changed in the last fifteen years.

The purpose of that Act was ". . . to suspend, withdraw or prevent the application of any reduction in any rate or duty . . . to imports from the U.S.S.R. and to imports from any nation or area dominated or controlled by the foreign government . . . controlling the world Communist movement."

Since 1960, Romania has pursued a policy of independence and cooperation with all countries. Romania denounced the Soviet invasion of Czechoslovakia, pioneered trade and political relations between East European countries and the United States by hosting President's Nixon visit to Bucharest in 1969. Romania trades equally with Western and COMECON countries, the only East European nation to do so. Romania was the sole East European nation to maintain diplomatic ties with Israel in the wake of the 1967 June War. In short, while undoubtedly committed to the principles of socialism, Romania is "dominated or controlled" by no one. President Ceausescu is a well-known proponent of the view that each nation should be free to determine its own social, political and economic form of organization.

Beginning with Romania's decision to make restitution for U.S. property claims in 1960, American-Romanian bilateral relations have steadily improved. Four years of high level contact and exchanges between 1969 and 1973 resulted in the 1973 Joint Statement on Economic, Industrial and Technological Cooperation signed in Washington by Presidents Nixon and Ceausescu. President Ford has taken one further step by concluding the Trade Agreement now under consideration by this Committee. In submitting the Agreement, the President stated in a letter dated April 24, 1975 to both Houses:

"This Agreement caps a decade of improvement in all areas of United States-Romanian relations. . . . It will thereby bring the structure of our economic relations into accord with our very satisfactory state of political relations."

Aside from improving our bilateral relations, approval of the Agreement will establish a precedent for similar agreements under the recently enacted Trade Act. Approval will demonstrate this country wants trade, and on a basis which is both sensitive to the issue of national sovereignty and reflective of our basic principles. Romania is an ideal nation with which to establish the precedent. Romania combines an independent spirit with a modern view towards the free movement of peoples and self-determination. Since World War II, Romania has permitted 300,000 Jews or 75% of her Jewish population to emigrate to Israel. Romania continues to permit emigration, continues to have diplomatic relations with Israel and engages in a lively trade relationship with Israel.

Failing to ratify this Agreement would be an indication of the value we place on our friendship with Romania and on her efforts to pursue a policy of cooperation and independence. Such action could discourage her leadership's belief in the benefits to be gained by such a policy—this discouragement might reach beyond Romania.

We have, instead, an opportunity to promote our bilateral relationship, to utilize trade as a mechanism through which ideas and techniques are exchanged, and to affirm our commitment to better relations with all countries of Eastern Europe. We should seize this opportunity and reinforce those who desire better relations and a relaxation of tensions, and their view that trade has a role to play in world peace.

#### V. CONCLUSION

The Atalanta Corporation has played and will continue to play an important role in the development of this important trade between the U.S. and Romania. Atalanta now purchases approximately 10 percent of all Romanian exports to the U.S. (canned hams) which affords Romania the necessary foreign exchange in order to purchase additional U.S. goods. Atalanta's part of this trade picture stimulates the U.S. job market, places a high quality canned ham before the U.S. consumer, and benefits the economy.

We therefore feel that the granting of "MFN" to Romania makes good business sense for the United States economy. Furthermore, nondiscriminatory business practices towards Romania may prove to be the best and most effective method of further reducing the tensions between the East and West, enhancing the possibilities for world peace. It should be remembered that the granting of MFN does not favor Romania. It merely places her on an equal trade basis with our other trade partners in the world.

Again, on behalf of Atalanta, I appreciate this opportunity to present this testimony which we request be incorporated in the Hearing Record.