

105TH CONGRESS }  
*1st Session*

COMMITTEE PRINT

{ WMCP:  
105-19

SUBCOMMITTEE ON TRADE  
OF THE  
COMMITTEE ON WAYS AND MEANS  
U.S. HOUSE OF REPRESENTATIVES

---

WRITTEN COMMENTS  
ON  
THE EXTENSION OF  
UNCONDITIONAL MOST-FAVORED-NATION  
TREATMENT TO ROMANIA



March 11, 1997

Printed for the use of the Committee on Ways and Means by its staff

---

U.S. GOVERNMENT PRINTING OFFICE

38-024 CC

WASHINGTON : 1997

## COMMITTEE ON WAYS AND MEANS

BILL ARCHER, Texas, *Chairman*

PHILIP M. CRANE, Illinois  
BILL THOMAS, California  
E. CLAY SHAW, JR., Florida  
NANCY L. JOHNSON, Connecticut  
JIM BUNNING, Kentucky  
AMO HOUGHTON, New York  
WALLY HERGER, California  
JIM McCRERY, Louisiana  
MEL HANCOCK, Missouri  
DAVE CAMP, Michigan  
JIM RAMSTAD, Minnesota  
DICK ZIMMER, New Jersey  
JIM NUSSLE, Iowa  
SAM JOHNSON, Texas  
JENNIFER DUNN, Washington  
MAC COLLINS, Georgia  
ROB PORTMAN, Ohio  
PHILIP S. ENGLISH, Pennsylvania  
JOHN ENSIGN, Nevada  
JON CHRISTENSEN, Nebraska

SAM M. GIBBONS, Florida  
CHARLES B. RANGEL, New York  
FORTNEY PETE STARK, California  
ANDY JACOBS, JR., Indiana  
HAROLD E. FORD, Tennessee  
ROBERT T. MATSUI, California  
BARBARA B. KENNELLY, Connecticut  
WILLIAM J. COYNE, Pennsylvania  
SANDER M. LEVIN, Michigan  
BENJAMIN L. CARDIN, Maryland  
JIM McDERMOTT, Washington  
GERALD D. KLECZKA, Wisconsin  
JOHN LEWIS, Georgia  
L.F. PAYNE, Virginia  
RICHARD E. NEAL, Massachusetts

PHILLIP D. MOSELEY, *Chief of Staff*  
JANICE MAYS, *Minority Chief Counsel*

---

## SUBCOMMITTEE ON TRADE

PHILIP M. CRANE, Illinois, *Chairman*

BILL THOMAS, California  
E. CLAY SHAW, JR., Florida  
AMO HOUGHTON, New York  
MEL HANCOCK, Missouri  
DAVE CAMP, Michigan  
JIM RAMSTAD, Minnesota  
DICK ZIMMER, New Jersey  
JENNIFER DUNN, Washington

CHARLES B. RANGEL, New York  
SAM M. GIBBONS, Florida  
ROBERT T. MATSUI, California  
WILLIAM J. COYNE, Pennsylvania  
L.F. PAYNE, Virginia  
RICHARD E. NEAL, Massachusetts

# ERRATA

105TH CONGRESS }  
*1st Session*

COMMITTEE PRINT

{ WMCP:  
105-19

SUBCOMMITTEE ON TRADE  
OF THE  
COMMITTEE ON WAYS AND MEANS  
U.S. HOUSE OF REPRESENTATIVES

---

WRITTEN COMMENTS  
ON  
THE EXTENSION OF  
UNCONDITIONAL MOST-FAVORED-NATION  
TREATMENT TO ROMANIA



March 11, 1997

Printed for the use of the Committee on Ways and Means by its staff

---

U.S. GOVERNMENT PRINTING OFFICE

38-024 CC

WASHINGTON . 1997

## ERRATA

(changes are in boldface)

*Cover—*

The Congress should read:

**104th**

*The Session should read.*

**2nd**

*The WMCP should read.*

**104-19**

# CONTENTS

---

	Page
Advisory of April 1, 1996 announcing request for written comments on the extension of unconditional most-favored-nation treatment to Romania .....	1
ABB Lummus Global, Houston, TX, Tony de Cardenas, letter .....	2
Ad Hoc Committee for the Organization of Romanian Democracy, Inc., Mount Vernon, NY, Simone M. Vrabiescu Kleckner, letter .....	3
Aircraft Supply Corporation, Closter, NJ, Sergio Blum, letter .....	9
American Hungarian Educators' Association, Silver Spring, MD, statement ....	10
American International Group, Inc., New York, NY, John J. Roberts, letter ....	11
American Jewish Committee, Jason F. Isaacson, letter .....	13
American Soybean Association, St. Louis, MO, John Long, letter .....	14
Amoco Power Resources Corporation, Houston, TX, Inge B. Fretheim, letter ...	15
Anti-Defamation League, New York, NY, David H. Strassler, and Abraham H. Foxman, letter .....	16
Armenian National Committee of America, Aram Hamparian, letter .....	17
Audio Video Services, Inc., Norcross, GA, Cornel Vinter, letter .....	18
Baer, Tommy P., B'Nai B'Rith, letter .....	21
Bakos, Frank, Westinghouse Electric Corporation, letter .....	86
Balogh, Sandor, National Federation of American Hungarians, East Greenbush, NY, letter .....	73
Belea Group International, New York, NY, Octavian Belea, letter .....	20
Blum, Sergio, Aircraft Supply Corporation, Closter, NJ, letter .....	9
B'Nai B'Rith, Tommy P. Baer, letter .....	21
Boeing Company, Seattle, WA, Philip M. Condit, letter .....	22
Boesch, James R., Wethersfield, CT, letter .....	23
Bumbaugh, Beverly A. and David E., Summit, NJ, letter .....	24
Chiritoiu, Georgette, Georgette Oriental Rugs, Atlanta, GA, letter .....	53
Cocean, Titus, First Romanian Baptist Church, Roswell, GA, letter .....	31
Condit, Philip M., Boeing Company, Seattle, WA, letter .....	22
Congress of Romanian Americans, Mclean, VA, Armand A. Scala, letter .....	25
Cutler, Peter B., For Pete's Sake, New York, NY, letter .....	35
David International Enterprises Corp., New York, NY, Herold Hertanu, letter .....	27
de Cardenas, Tony, ABB Lummus Global, Houston, TX, letter .....	2
De Leuw, Cather, Robert S. O'Neil, letter .....	29
Dow Chemical Company; Dresser Industries; General Electric Company; Hughes Electronics; McDonnell Douglas Corporation; Procter & Gamble; Tenneco; United Technologies Corporation; Western Atlas, Inc.; and Westinghouse Electric Corporation, joint letter .....	30
Dresser Industries, joint letter (see listing for Dow Chemical Company) .....	30
First Romanian Baptist Church, Roswell, GA, Titus Cocean, letter .....	31
Fish, Thomas C., Ridgefield, CT, letter .....	33
For Pete's Sake, New York, NY, Peter B. Cutler, letter .....	35
Foxman, Abraham H., Anti-Defamation League, New York, NY, letter .....	16
Frank Russell Company, Tacoma, WA, George F. Russell, Jr., letter and attachments .....	36
Fretheim, Inge B., Amoco Power Resources Corporation, Houston, TX, letter ..	15
Funderburk, The Honorable David, a Representative in Congress from the State of North Carolina, letter and attachments .....	39

	Page
Gadbaw, R. Michael, General Electric Company, letter .....	51
Garst, David, Coon Rapids, IA, letter .....	52
General Electric Company:	
joint letter (see listing for Dow Chemical Company) .....	30
R. Michael Gadbaw, letter .....	51
Georgette Oriental Rugs, Atlanta, GA, Georgette Chiritou, letter .....	53
Gezen, Asil, Transportation and Economic Research Associates, Inc., Herndon, VA, letter .....	83
Gleason, George L., Halliburton/Brown & Root, letter .....	56
Gooding, Christine, N. Marshall and Associates, Inc., San Carlos, CA, letter ...	70
Green, Hon. Alan, Jr., Portland, OR, former U.S. Ambassador to Romania, letter .....	55
Groom, Ruth Noble, Noble Transoceanic Corporation, statement .....	75
Halliburton/Brown & Root, George L. Gleason, letter .....	56
Hamos, László, Hungarian Human Rights Foundation, New York, NY, letter ..	58
Hamparian, Aram, Armenian National Committee of America, letter .....	17
Hertanu, Herold, David International Enterprises Corp., New York, NY, letter .....	27
Hughes Electronics, joint letter (see listing for Dow Chemical Company) .....	30
Hungarian Human Rights Foundation, New York, NY, László Hamos, letter ..	58
Isaacson, Jason F., American Jewish Committee, letter .....	13
Judy's Group, Inc., New York, NY, Howard Schlossberg, letter .....	64
Kirk, Hon. Roger, former U.S. Ambassador to Romania, letter .....	65
Kittredge, Frank D., National Foreign Trade Council, Inc., letter .....	74
Kleckner, Simone M. Vrabiescu, Ad Hoc Committee for the Organization of Romanian Democracy, Inc., Mount Vernon, NY, letter .....	3
Lazau, John, Romanian American Association of Georgia, Inc., Norcross, GA, letter .....	80
LeKuch, Ilya, Moody International Trading, Inc., McLean, VA, letter .....	67
Litman, Gary, United States Chamber of Commerce, International Division, letter .....	84
Lockheed Martin Corporation, Arlington, VA, David S. Osterhout, letter .....	66
Long, John, American Soybean Association, St. Louis, MO, letter .....	14
McDonnell Douglas Corporation, joint letter (see listing for Dow Chemical Company) .....	30
Meyer, Mark A., Romanian-American Chamber of Commerce, letter .....	80
Moody International Trading, Inc., McLean, VA, Ilya LeKuch, letter .....	67
Motorola, Joann Piccolo, letter .....	69
N. Marshall and Associates, Inc., San Carlos, CA, Christine Gooding, letter ...	70
National Association of Manufacturers, statement .....	71
National Federation of American Hungarians, East Greenbush, NY, Sandor Balogh, letter .....	73
National Foreign Trade Council, Inc., Frank D. Kittredge, letter .....	74
Noble Transoceanic Corporation, Ruth Noble Groom, statement .....	75
North, Karen G., Lake Forest, IL, letter .....	77
O'Neil, Robert S., De Leuw, Cather, letter .....	29
Ohrenstein, Manfred, Ohrenstein & Brown, LLP, New York, NY, letter .....	78
Opran Group, Ridgewood, NY, Howard Opran, letter .....	79
Osterhout, David S., Lockheed Martin Corporation, Arlington, VA, letter .....	66
Piccolo, Joann, Motorola, letter .....	69
Procter & Gamble, joint letter (see listing for Dow Chemical Company) .....	30
Roberts, John J., American International Group, Inc., New York, NY, letter ...	11
Romanian American Association of Georgia, Inc., Norcross, GA, John Lazau, letter .....	80
Romanian-American Chamber of Commerce, Mark A. Meyer, letter .....	82
Rubin, Herbert, Herzfeld & Rubin, P.C., New York, NY, letter .....	57
Russell, George F., Jr., Frank Russell Company, Tacoma, WA, letter and attachments .....	36
Scala, Armand A., Congress of Romanian Americans, Mclean, VA, letter .....	25
Schlossberg, Howard, Judy's Group, Inc., New York, NY, letter .....	64
Strassler, David H., Anti-Defamation League, New York, NY, letter .....	16

	Page
Tenneco, joint letter (see listing for Dow Chemical Company) .....	30
Transportation and Economic Research Associates, Inc., Herndon, VA, Asil Gezen, letter .....	83
United States Chamber of Commerce, International Division, Gary Litman, letter .....	84
United Technologies Corporation, joint letter (see listing for Dow Chemical Company) .....	30
Vinter, Cornel, Audio Video Services, Inc., Norcross, GA, letter .....	18
Vintilla, John R., John R. Vintilla, Cleveland, OH, letter .....	85
Western Atlas, Inc., joint letter (see listing for Dow Chemical Company) .....	30
Westinghouse Electric Corporation:	
joint letter (see listing for Dow Chemical Company) .....	30
Frank Bakos, letter .....	86



# **ADVISORY**

## **FROM THE COMMITTEE ON WAYS AND MEANS**

### **SUBCOMMITTEE ON TRADE**

FOR IMMEDIATE RELEASE  
April 1, 1996  
No. TR-20

CONTACT: (202) 225-6649

## **Crane Announces Request for Written Comments on the Extension of Unconditional Most-Favored-Nation Treatment to Romania**

Congressman Philip M. Crane (R-IL), Chairman of the Subcommittee on Trade of the Committee on Ways and Means, today announced that the Subcommittee is requesting written public comments from all parties interested in the extension of unconditional most-favored-nation (MFN) treatment to Romania.

### **BACKGROUND:**

At present, Romania's trade status is subject to the Jackson-Vanik amendment to Title IV of the Trade Act of 1974. On November 2, 1993, President Clinton signed into law P.L. 103-133, approving the extension of MFN treatment to the products of Romania under the United States-Romania Trade Agreement. On May 19, 1995, the President found Romania to be in full compliance with the requirements contained in the Jackson-Vanik amendment. Romania is also a member of the World Trade Organization.

After the extension of MFN treatment to the products of Romania, two-way trade between the United States and Romania rose from \$376 million in 1993 to \$528 million in 1994. During the first nine months of 1995, two-way trade between the United States and Romania totalled \$349 million. From January through September 1995, U.S. exports to Romania were valued at \$175 million, while imports from Romania equalled \$173 million.

### **DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:**

Persons submitting written comments should submit six (6) copies, with their address and date of request noted, by the close of business, Friday, May 3, 1996, to Phillip D. Moseley, Chief of Staff, Committee on Ways and Means, U.S. House of Representatives, 1102 Longworth House Office Building, Washington, D.C. 20515.

### **FORMATTING REQUIREMENTS:**

Each statement presented for printing to the Committee by a witness, any written statement or exhibit submitted for the printed record or any written comments in response to a request for written comments must conform to the guidelines listed below. Any statement or exhibit not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

1. All statements and any accompanying exhibits for printing must be typed in single space on legal-size paper and may not exceed a total of 10 pages.
2. Copies of whole documents submitted as exhibit material will not be accepted for printing. Instead, exhibit material should be referenced and quoted or paraphrased. All exhibit material not meeting these specifications will be maintained in the Committee files for review and use by the Committee.
3. Statements must contain the name and capacity in which the witness will appear or, for written comments, the name and capacity of the person submitting the statement as well as any clients or persons or any organizations for whom the witness speaks or for whom the statement is submitted.
4. A supplemental sheet must accompany each statement listing the name, full address, a telephone number where the witness or the designated representative may be reached and a topical outline or summary of the comments and recommendations in the full statement. This supplemental sheet will not be included in the printed record.

The above restrictions and limitations apply only to material being submitted for printing. Statements and exhibits or supplementary material submitted solely for distribution to the Members, the press and the public during the course of a public hearing may be submitted in other forms.

Note: All Committee advisories and news releases are now available over the Internet at 'GOPHER.HOUSE.GOV' under 'HOUSE COMMITTEE INFORMATION'.

\*\*\*\*\*



May 1, 1996

Mr. Philip Moseley  
Chief of Staff  
Committee of Ways and Means  
U.S. House of Representatives  
1102 Longworth House Office Building  
Washington, D.C. 20515

Dear Sir:

I would like to take an interest in upcoming legislation on granting Romania a permanent "Most Favored Nations" (MFN) status. I have reviewed some of the most recent developments in relation to this situation and believe in and support the initiative to grant Romania the MFN status for the following reasons:

- Romania meets statutory requirements for MFN.
- Romania is well on its way to becoming a democratic country. It is also now fully supportive of human rights.
- Romania has initiated a number of economic reforms that should support this democratic process and increase the standard of living of its population.
- All the above should translate into increasing economic benefits for both Romania and the United States in terms of trade and investments. We all stand to benefit as Romania increasingly approaches a market driven economy.

Our ABB family of companies would also benefit from such legislative actions that should result in expanded business opportunities. Specifically, in our business at ABB Lummus Global, we see opportunities in the oil industry primary sector and eventually in the refining and petrochemical sectors.

Thank you.

Sincerely,

**ABB Lummus Global Inc.**

A handwritten signature in black ink, appearing to read 'Tony de Cardenas', is written over a faint, larger version of the same signature.

Tony de Cardenas  
Director of Refining

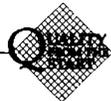
sdc

ABB Lummus Global

ABB Lummus Global Inc.

12141 Wickchester  
Houston, TX 77079-1207  
U.S.A.

Telephone (713) 531-4000  
Fax (713) 531-2720  
Telex 166492



**AD HOC COMMITTEE FOR THE ORGANIZATION  
OF ROMANIAN DEMOCRACY INC.**

120 Stevens Ave. Mount Vernon, N.Y. 10550  
Tel. (914) 668-3529 Fax (914) 668-3545

Stefan Iasarescu, M.D.  
Chairman

April 18, 1996

Simone M. Vrablescu  
Kleckner, J.D.  
Co-Chairman

Mr. Philip D. Mosley, Chief of Staff

Dan Cantacuzino, M.D.  
Vice-President

Committee on Ways and Means  
U.S. House of Representatives  
1102 Longworth House Office Building  
Washington D.C. 20515

Aurel Marinescu  
Vice-President

Dumitru Radu  
Treasurer

Ioana Allmanestianu  
Secretary

**COMMENTS ON THE STATE OF AFFAIRS IN ROMANIA**

After six years from the 1989 Revolution, Romania has not yet passed the threshold to real democracy. The country has continued to be administered by former communists and the population continues to be deeply frustrated by the lack of real progress toward a market economy and democracy.

Following the statement of the President that Romania is in full compliance with the requirements contained in the Jackson-Vanik amendment, Title IV of the Trade Act of 1974 as well as the introduction of H.R. 3161 and S. 1644 to authorize the extension of nondiscriminatory treatment (most-favored-nation), the Committee submits a general survey of the state of affairs in Romania.

**I. THE GOVERNMENT AND ITS INSTITUTIONS.**

President Iliescu came to power after the 1989 Revolution, and remained in power by securing his 1992 re-election through manipulation of the votes (see Elections).

On January 20, 1995, the PDSR (Romanian Party of Socialist Democracy), the party in power, signed a coalition Protocol with national-extremist, anti-Semitic and anti-Hungarian parties such as the Greater Romanian Party, the Socialist Labor Party (former communists) and the Party of Romanian National Unity.

The separation of powers in the State is not observed. The Government, Parliament and the Judiciary carry out the President's instructions.

Corruption is rampant. Members of Government are accused by the press because of abuses almost daily.

Embargo against Yugoslavia was not fully observed.(1)

Training of PLO fighters, Romania organized training of Palestinian fighters, which was paid by Romanian taxpayers as follows: the Guard and Protection Service (SPP) spent 599,675 million lei at the Center for Training of Cadres in Branesti; the Romanian Information Service (SRJ) spent 336 million lei for the drills at Saffica; and, the Interior Ministry spent 552,331 million lei for the training through the A.I. Cuza Police Academy between June 1994 and November 1995.(2)

No-confidence vote in the Government. Since 1992, Prime Minister Nicolae Vacaroiu's Government withstood four no-confidence votes. The last two happened in 1995, one, following the summer "wheat crisis" (see under agriculture) and, the other following the winter "energy crisis," which was caused by the Administration's mismanagement. It left people in the cold, prompted factories to close, and caused numerous strikes.(3) After the "energy crisis" President Iliescu's popularity decreased drastically.

PARLIAMENT. During 1995, Parliament passed laws of communist character, however, much of the necessary legislative framework for a market economy has been neglected. According to a 1995 Soros Foundation poll 66-70% of the population has a bad opinion of the Parliament's activity.(4)

**JUDICIARY.** There is a direct link of subordination of the Judiciary to the Executive power. Five out of 15 members of the Supreme Council of Magistrates (approved by Parliament) are subordinated to the Attorney General, who in turn is appointed by the President.(5)

Labor unions accuse the Judiciary of siding with the Executive Power, since no decisions have been made in their favor.(6)

Out of a total of 1800 judges, only 546 were sworn in, the rest of 1254 are on a presidential waiting list. Prosecutors are in a similar situation.(7)

Judicial procedures against military defendants or police forces are long and deliberately inconclusive. Military tribunals hamper their own investigations in cases of police abuse.(8)

**LOCAL ADMINISTRATION.** From 1992 to 1995, appointed local officials ousted 133 elected mayors, out of which 116 belonged to the opposition, without a court decision.(9)

Local budgets are minimal, since 90% of the income goes to the State Budget.(10)

**ROMANIAN INFORMATION SERVICE (SRI).** SRI is in fact a continuation of the former "Securitate" and works closely with President Iliescu, getting involved in the political process, although legally forbidden.(11)

The 1991 Law on National Security gives a broad definition of "national security." Based on the law, if SRI officers, consider a threat to national security, they may enter residences without prior authorization or may engage in monitoring communication between parties.(surveillance of opposition parties and independent journalists). During 1995, citizens as well as foreign diplomats presented credible cases of privacy infringements regarding opening of correspondence, surveillance or harassment.(12)

The vague meaning of "national security" in the 1991 law gives the Government unfettered power to charge journalists with criminal offenses for criticism of the Iliescu regime.

Contrary to other East European countries, former "Securitate" files have not been made available to the population. However, Virgil Magureanu, Chief of SRI, when being accused recently of having been part of the former "Securitate" published his file. Information in the file showed that he was part of it in the early 1960s.

**TELEVISION AND RADIO.** The Government has control over national TV and radio stations reaching the entire territory of the country as opposed to the limited coverage of the 34 independent TV and 103 radio stations.(13) Members proposed by the TV Free Union for the Government controlled Audio-Visual Board were rejected and the Board functions without members from the opposition.

## II. THE OPPOSITION.

The Romanian Democratic Convention (CDR), is the strongest democratic coalition of parties, unions and associations, which came into being in 1992. Its mandate is to change the structures of the existing state powers by a new political class composed of professionally qualified and accountable people. Professor Emil Constantinescu was elected President of the Convention in 1992 and reelected in 1995, also candidate to the Presidency.

In February 1995, CDR recommended the formation of a group of 87 specialists to study the economic and social problems and to come with solutions. In November, 1995, based on the study, the "Contract with Romania," was issued, after the American model. It lists 20 solutions, whose legislation should be in force within the first 200-days if the CDR wins the elections. In the latest February 1996 Gallup poll the CDR had 26.5% and PDSR (party in power) 18.8% of the votes.(14)

Among others, the Party for Democracy (PD) is the second largest opposition party. Petre Roman is President and also candidate to the Presidency.

## III. ECONOMIC ASPECTS

**PROPERTY.** There is no respect for private property. After a prolonged debate started in 1994, and against the recommendation of the Council of Europe or the protests of the U.S. Congress, the Romanian Parliament passed the law on nationalized property (Law 112/1995). This law "legalizes" the former nationalizations and confiscations by not returning properties to legitimate owners.(15)

**THE ECONOMY.** The economy is stagnant mostly because the interest of the Government is to halt the reform to a minimum in order to protect the existing bureaucracy. Foreign debt has reached \$6.1 billion in 1995 (forecast for 1997 is \$7.2 billion), unemployment is almost 9% and the inflation rate is 28%.(16) The standard of living of the population reached a very low level in 1995: 80% of the income is spent on food and 60% of the population lives under the poverty line. The pension of a peasant is 17,500 lei, that of a doctor 180,000 lei, and that of a member of Parliament 1,096,650 lei, knowing that \$1=2900 lei.(17)

**PRIVATIZATION.** ~~No effective economic reforms were undertaken.~~ After six years of reform 86% of the industrial output is still state-owned and subsidized.(18) The 1995 program on the acceleration of privatization (Law 55/1995) turned out to be a failure because of the deliberate absence of mutual funds (which made the success of the Czech Republic privatization process). Instead of the funds' advice on the efficiency of the state enterprises, the Government offered just a list of their names.(19) A confused population, not having a clue as to which enterprise is efficient, was reluctant to invest in the coupons offered by the Government. This stalled the privatization process far beyond the deadline of December 31, 1995, and constituted a vote of no confidence to the Government. The deadline was extended to April 30, 1996.(20)

**AGRICULTURE.** ~~Privatization of agriculture is halted.~~ To gain the 1992 elections the Iliescu regime returned some land to peasants (Law 18/1991). The Land Law, however, does not provide for private agricultural credit or selling of the crops facilities. In 1995, to discourage the concept of private ownership and private farming, the Government, being the sole buyer, offered peasants either extremely low prices, or even worse, the Government preferred to import crops rather than buy them from peasants. The peasants' wasted crops were known as the "wheat crisis" and the situation called for a vote of no confidence in the Government.

Collective farms and agricultural tool stations have been state controlled and collective farming is encouraged. The Government will receive a \$100 million loan through the Commodity Credit Corporation for FY 1996, like the one of \$70 millions in FY 1995.(21)

On the other hand, PROFACT, the union of peasant farmers, promoting private agriculture, cannot receive IMF or WB loans, because it would need Government guarantees, which it cannot get.

**FINANCIAL ASPECTS.** The 1994 social security budget showed a surplus of 261 billion lei, followed by a deficit of 192 billion lei in 1995. The explanation lies in the financial mismanagement of the industrial and state owned units, which being in a state of bankruptcy cannot pay their share to the social security fund.(22) Repeated devaluations of the leu during 1995 have been the result of the mismanagement of financial policies, which caused immense hardship to the population.

According to New York Times of March 23, 1996, the Romanian Central Bank striped two large foreign banks (Chemical of N.Y. and ABN Amro of the Netherlands) of their licenses to trade currencies. Only state owned banks will be allowed to handle the exchange foreign market. This dampened the investor's confidence.(23)

**INVESTMENTS.** Foreign investors are hampered by the uncertainty of the legislation. They are obliged to invest a minimum of \$50,000 for small size enterprises, however, without being protected by laws on competition, leasing or bankruptcy.(24) Foreign investment has been low as compared to other countries from Eastern Europe. The total investment in Romania amounts only to \$1.679 billion as compared to \$5 billion in Poland or Hungary, and \$3.1 billion in the Czech Republic.(25)

#### IV. HUMAN RIGHTS AND SOCIAL ASPECTS.

A bill on "State secrets" is pending in Parliament. It has a vague definition on the meaning of "secret," calling on citizens that if they know of secret data or documents (even outside of their professional activity) they should inform the SRI, otherwise they might risk from 2 to 7 years in prison. Detailed criteria related to "secrets" will be issued by the Government after the law will come into force.(26) The concept of "secret" could constitute the basis for criminal charges against everybody, including the press. This recalls the communist style of intimidating people.

**THE PRESS.** Officially the press is free. However, journalists' freedom of expression is constrained by Article 206 of the Penal Code on "slander" against the State.(27) This is the case of two journalist from the daily Zina. Their case is pending in court for having accused President Iliescu as KGB agent during his studies in Moscow.(28) Representatives of local administration of smaller cities occasionally bring accusations against slander by local reporters. This is the case of Doina Boghean, journalist in the city of Suceava, sentenced to three months and currently on appeal.(29) There is continued shortage of newsprint (30)

**EDUCATION.** The Law on Education (Law 84/1995, amended by Law 131/1995) caused great conflict with national minorities concerning the use of the Hungarian language and significant strikes by students related to financial aspects. The coming into force of the law was postponed until 1997, when the OSCE will monitor its implementation. (31)

**FOREIGNERS AND THEIR STATUS.** A bill is pending in Parliament, requesting foreigners to register with the police in 48 hours from their arrival in the country, except for official delegations. The bill contravenes international legislation on the movement of people. (32)

**ORPHANAGES.** New York Times, March 25, 1996, stated that Romania's orphanages are as full now as they were under Ceausescu. Figures released by the Government show that a number of 80,000 institutionalized children in 1993 increased to 104,000 in 1995 (out of which 3000 infected with H.I.V.). That is three times as many orphans as in Poland - a country of 40,000 millions, almost twice the population of Romania. (33)

Members of Government argue that orphanages are bursting, because of the economic transition to a market economy.

## V. ELECTIONS.

The tampering with the 1992 elections was related to a high cancellation rate of 14% of the votes, and with an excessive number of voters whose name appeared on "special lists" without the presentation of ID cards of 1.5 million (see 29 East European Quarterly, No. 1, March 1995, 43-66). Furthermore, in 1992, hundreds of thousands of votes in favor of PDSR and Iliescu were printed and stamped at the Press House and sent in vans during the night to replace the ones in the voting boxes.

ID voting cards have not yet been issued for the local elections in the second part of May.

Mr. Viorel Hrebenciuc, the Government Secretary, was appointed as the 1996 PDSR (party in power) manager of the election campaign, contrary to democratic rules, which stipulates that no member of government can help in the election campaign of the party in power.

The Romanian press accuses PDSR of planning a 1996 electoral computerized fraud. (34)

## CONDITIONS FOR RENEWAL OF THE CLAUSE

Of all East European states, Romania has been the slowest in moving toward a free democratic society, because the government in power since 1990 has been composed of former Ceausescu officials. They use a communist style in management and are accused of corruption and abuses.

Progress toward a market economy is deliberately halted in order to maintain the existing bureaucracy in power.

Investigations avoided to identify those responsible for the death caused by the terrorism of the 1989 Revolution.

The former "Securitate" has been reactivated, reorganized and computerized under the new name of Romanian Information Service (SRI) (35). The Press is intimidated with criminal charges. The nation wide TV and Radio stations are under government control.

Considering that the officials in power excel in disinformation and distortions, and will not comply with promises, the Committee recommends that the MFN Clause be granted subject to an annual strict review by Congress, as an enforcement mechanism in exchange for the favor of the MFN status.

We strongly urge that Congress should demand the Romanian Government to improve performance and meet the following requirements:

1) Observance of the separation of powers, which should enable an independent Judiciary to issue decisions based on the rule of law, not by the injunction of the Executive power:

2) Respect for and protection of the elected local officials;

3) Oversight of the overt and covert activities of the Romanian Information Service (SRI). Removal from leading positions in SRI of former Securitate members. Transfer of the former Securitate files to a non-governmental authority, which should make them available to the public:

4) Independence of the national TV and Radio stations;

5) Restitution of private nationalized and confiscated properties to their previous lawful owners (and their successors) including the Catholic Church;

6) Acceleration of the privatization process of state owned enterprises and enactment of necessary legislation for a market economy framework;

7) Promotion of private farming and stopping collective agriculture;

8) Repeal by Parliament of the bills on "state secret" and on the "status of foreigners;"

9) Repeal of legislation hampering the freedom of the press;

10) Extra attention to the management of orphanages and to the legislation on adoption of children, which should be eased;

11) Reinstatement of citizenship of all Romanian born persons (including King Michael) in accordance with Article 5 of the 1991 Romanian Constitution;

12) Prosecution of those responsible for the atrocities of communism and for the killings during the 1989 Revolution; and,

13) Providing ID cards for voters in the 1996 elections and acceptance of international observers.

#### CONCLUSION

Many of the conditions that this Committee has suggested in the memorandum of 1993 are mentioned again in this document, with some more added. Consequently, not much progress has been achieved in the past three years. On the contrary, the Iliescu regime, to maintain itself in power, drifts toward authoritarianism.

We would like to quote Congressman David Funderburk former US Ambassador to Romania, 1981-85, who said in connection with the granting of an unconditional MFN status: "Where is the enforcement mechanism? There is none. MFN aid goes to Communist elites, who line their pockets. It never goes to the people. MFN keeps the Communist dictatorship in power." (see Congressional Record, H7288, July 20, 1995).

An unconditional and permanent Clause would only endorse the Iliescu regime by enhancing its status and further promote government corruption, which is certainly not the purpose of Congress.

Congress can best help Romania by granting only a conditional MFN status, which should work as an enforcement mechanism toward democracy and full NATO membership. The later is paramount for the country's survival against aggression, especially in view of the Duma's intention to restore the Soviet Union, and if Gennady Zyuganov wins the presidential elections.

  
Simone M. Vrabiescu Kleckner, J.D.  
Co-Chairman A.C.O.R.D., Inc.

## BIBLIOGRAPHICAL REFERENCES

1. Apostol Marius. The smugglers are working nonstop. Romania Libera (Bucharest). September 4, 1995. p. 17; Rautu Cristian. Gas smuggling into former Yugoslavia continues. Cotidianul (Bucharest) August 29, 1995. p.1.; Thurow, Roger. Embargo busting. Wall Street Journal. June 7, 1994, p. A6.
2. Stanescu, Gabriel. Government said to train PLO fighters. Ziua (Bucharest) March 13, 1996. p.2.
3. Motiunea energia a fost adoptata. Micro Magazin (New York) 29 Februarie 1996. p.36.
4. Giurescu, Constantin. Consemnari. Romanul Liber (Bucuresti) Februarie 1996. p.6.
5. U.S. Department of State. 1995 report on human rights:Romania. Washington D.C., March 6, 1996. 12 p., Sect. 1(e).
6. See 5, Sect. 1(e).
7. Rosca-Stanescu, Sorin. A binevoit. Lucafarul Romanesc (Canada), Decembrie 1995. p.6.
8. See 5, Sect. 1(e).
9. See 5, Sect. 3.
10. See 4.
11. Roman, Petre. Virgil Magureanu conduce o adevarata politie economica. Lucafarul Romanesc (Canada), Martie 1996, p.7.
12. See 5, Sect. 1(f).
13. See 5, Sect. 1(f).
14. Romanians favor opposition party and reforms. Bucharest, Reuter, March 29, 1996. 1 p. release.
15. Ionescu Dtru. si Ctin. Mares. Apel catre Consiliul Europei. Romanul Liber (Bucuresti) Martie 1996. p.20.
16. Country report:Romania. In: Economist Intelligence Unit. London, 4th quarter, 1995. p.5-6.; See 5 introduction.
17. Romania pre-electoral in atentia presei belgiene. Micro Magazin (New York) 21 Martie 1996, p.6.
18. See 5 introduction.
19. Romania publishes list of 3,907 firms slated to be privatized by end of year. International Trade Reporter, Washington D.C., BNA, September 6, 1995. p.1494.
20. See 4.
21. SUA acorda Romaniei un credit comercial in valoare de 100 milioane de dolari. Micro Magazin (New York) March 7, 1996. p.36.
22. See 4.
23. Perlez, Jane. Romania bans currency deals by foreign banks. New York Times, March 23, 1996.
24. Romanian-American Enterprise Fund Activities in 1995. In: Romanian-American Chamber of Commerce, Inc. Newsletter. New York, March 1996. p.14; also, see 4.
25. Foreign Investments. In COSMOS, Inc. Romania economic newsletter. Bethesda, MD, January March 1996. p.14; See 4.
26. See 15.
27. See 5, Sect. 2(a), 1st para.
28. See 5, Sect. 2(a), 2nd & 6th para.
29. Journalist gets prison term for calumny. Adevarul (Bucharest) 7 Decembrie 1996. p.8.
30. See 5, Sect. 2(a), 3rd para.
31. See 5, Sect. 5, ethnic minorities.
32. See 15.
33. Perlez, Jane. Romanian orphans: prisoners of their cribs. New York Times, March 25, 1996. p.A1.
34. Iacob, Bogdan Tiberiu. PDSR accused of planning electoral fraud. Evenimentul Zilei (Bucharest) 6 Martie, 1996. p.1.
35. Structures of intelligence services outlined. Evenimentul Zilei (Bucharest) November 30, 1994. p.3.



## AIRCRAFT SUPPLY CORPORATION

317 HARRINGTON AVE., CLOSTER, NEW JERSEY 07624, U.S.A.

AN AIRSUPPLY GROUP COMPANY

PHONE: (201) 784-2700

FAX: (201) 784-2727

SITA: NYCACCR

April 29, 1996

Mr. Phillip D. Moseley  
 Chief of Staff, Committee on Ways and Means  
 U.S. House of Representatives  
 1102 Longworth House Office Building  
 Washington, D.C. 20515

Dear Mr. Moseley:

I am writing these lines in support of motions in Congress towards the granting of Permanent Most Favored Nation Status to Romania.

Our Company, Aircraft Supply Corporation, has been for the past 15 years one of the permanent partners of Tarom, Romanian Airlines, for the supply of aircraft spare parts. As such, I have traveled extensively to Romania before and after 1989 when a Democratic Government came to power in Romania.

I must say that one can see clearly the democratisation process that has occurred in Romania after the overthrow of Communism. Romania has made important progress towards the process of democratisation of internal policies as well as towards the establishment of a Market economy, meeting all known conditions towards granting of permanent MFN.

I feel that the steps made by Romania towards democratisation and its efforts towards the establishment of a market economy should be met by our full support and that a Permanent MFN status should be granted to Romania to encourage the continuation of the democratic process which has so clearly begun.

In addition, I feel that the granting of permanent MFN status would greatly contribute towards the establishment of better and stronger economic relations between our Countries.

I urge the full support of measures to permanently grant Romania a full place among the trading partners of the United States.

I will be available at your convenience should my presence be required in an appearance before any committee taking up the above mentioned measures.

Romania deserves and Must be granted the Permanent Most Favored Nation Status.

Sincerely Yours,

Sergio Stum  
 Executive Vice President

## AMERICAN HUNGARIAN EDUCATORS' ASSOCIATION

POBox 4103, Silver Spring, MD 20914 USA  
Dr. Peter Pastor, President • Montclair State University, 201, 655-7564

AFFILIATE: American Hungarian Folklore Centrum

### RESOLUTION OF THE 21ST ANNUAL CONFERENCE OF THE AMERICAN HUNGARIAN EDUCATORS' ASSOCIATION

- WHEREAS**, Hungarian educators from the United States, Canada and other parts of the world, convened at Montclair State University for their 21st Annual Conference, April 25-28, 1996, noted with alarm that all levels of Hungarian-language education for the sizable Hungarian national minorities of Rumania, Slovakia and Serbia are clearly and presently curtailed and endangered;
- WHEREAS**, in Rumania and Slovakia this endangerment reached the legislative level, when on June 28, 1995 the Rumanian Parliament and on November 15, 1995 the Slovak Parliament passed laws discriminating against minority education and language use, thereby clearly violating the basic human rights of the more than 2 million Hungarians in Rumania and more than 600,000 Hungarians in Slovakia;
- WHEREAS**, Rumanian authorities have barred the right to restore the Independent Hungarian Bolyai University in Cluj/Kolozsvár (standard bearer of a four hundred year old tradition of academic excellence in the heart of Europe until it was forcibly merged with its Rumanian counterpart in 1958) and the Rumanian state has selectively refused to return 1,593 schools to ethnic Hungarian denominations while providing abundant restitution to the Rumanian Orthodox Church;
- WHEREAS**, the nearly 400,000 Hungarians of Serbia's Vojvodina region are victimized by the Serbian government's nationalist policies in the field of education;
- CONSIDERING** that the above mentioned regressive policies and practices contravene the growing body of international norms protecting the rights of national minorities, including the right to native-language education, as set forth, *inter alia*, in the European Charter for Regional and Minority Language (Council of Europe, 1992), and in the Helsinki Final Act (1975) as supplemented by the concluding Documents adopted in Copenhagen (1990), Paris (1991), Geneva (1991), Moscow (1991), and Helsinki (1992);
- NOTING** that, in place of government-sponsored provocation of anti-minority animosities, fulfillment of the legitimate aspirations of national minorities in the field of education can serve to defuse tensions, promote mutual respect and lead to harmony and stability benefiting the whole of society; and
- RECOGNIZING** the United States' and Canada's long-standing position that a government's compliance with international human rights standards, including its protection of the rights of national minorities, are key factors in determining the level of political and trade relations with that country and
- FURTHER RECOGNIZING** the specific relevance of the aforementioned issues at the present time, while the U.S. is actively considering the granting of permanent and unconditional Most Favored Nation status to Rumania, and both the United States and Canada are active participants in the efforts to resolve the national and ethnic conflict in former Yugoslavia; now therefore be it
- RESOLVED**, that the 21st Annual Conference of the American Hungarian Educators' Association
1. **DEPLORES** the actions by the governments of the Republics of Rumania, Slovakia and Serbia which deprive national minorities of native-language education rights and violate international obligations to protect human rights and the rights of national minorities;
  2. **ENCOURAGES** the afore-mentioned governments to adopt enlightened and innovative policies in the field of education designed to embrace and promote, not retard, the maintenance and passing on of ethnic identity, thus actively seeking the support, not provoking the opposition, of these sizable communities;
  3. **URGES** the governments of the United States and Canada and other international bodies to continue to take every opportunity at international forums and in their bilateral relations to encourage the afore-mentioned republic to comply with their commitments to promote minority language education at all levels; and specifically
    - **SEEKS THE SUPPORT** of each Member of the United States Congress not to grant permanent and unconditional Most Favored Nation status to Rumania but to condition the annual continuation of that benefit on a genuine reversal of the government's repressive conduct, including the removal of artificial restrictions and the institution of meaningful, verified and real improvements in the area of Hungarian-language instruction;
    - **CALLS UPON** the U.S. and Canadian governments to specifically raise the status of Hungarian language education rights in their ongoing deliberations with representatives of the governments of Rumania, Slovakia and Serbia;
  4. **OFFERS** the experience, support and expertise of the AHEA membership and the organization as a whole to fellow Hungarian colleagues in the aforementioned republics, in their efforts to fulfill their professional commitments.

AMERICAN INTERNATIONAL GROUP, INC.  
70 PINE STREET  
NEW YORK, NY 10207

JOHN J. ROBERTS  
VICE CHAIRMAN

Philip D. Moseley  
Chief of Staff  
Committee on Ways and Means  
U.S. House of Representatives  
1102 Longworth House Office Building  
Washington, D.C. 20515

April 24, 1996

Dear Mr. Moseley:

I am Vice Chairman of American International Group, Inc. (AIG) and am writing to you on behalf of AIG in support of legislation introduced by Senator Brown and Congressman Crane to provide Romania with permanent Most Favored Nation (MFN) status.

AIG is the leading U.S.-based international insurance organization and the largest underwriter of commercial and industrial insurance in the United States. Its member companies write property, casualty, marine, life and financial services insurance in approximately 130 countries and jurisdictions, and are engaged in a range of financial services businesses.

AIG has engaged in business with Romania for many years. In 1979 AIG set up the Romanian American Insurance Company as a joint venture between AIG and ASTRA, a leading Romanian insurance company.

The positive results of this venture and the political evolution of Romania has led to the more recent incorporation of AIG Romania Insurance Company S.A. in January 1994, the first American owned company to receive a license to operate an insurance company in Romania. AIG Romania Insurance Company, S.A. markets general insurance and personal accident insurance products to foreign-owned businesses and domestic, privatized companies.

AIG's accomplishments in Romania would not have been possible without the significant strides made by the Romanian government towards democratization and a free market economy.

Since the end of the communist regime in 1989, Romania has held two national elections which included candidates from multiple parties and approved a new constitution. In the 1995 report on human rights, the U.S. State Department recognized Romania for respecting the rights of all its citizens. Furthermore, Romania has been a signatory on major international conventions on human rights.

In foreign affairs Romania has demonstrated its cooperation with the United States through support of U.S. foreign policy in the Middle East, Africa, and the former Federal Republic of Yugoslavia. Romania's effort to integrate into the new Atlantic security system includes being the first of the Partnership for Peace nations, as well as petitioning for NATO membership while simultaneously providing troops and facilities for UN peacekeeping efforts in Bosnia and other nations.

In addition to these developments, Romania fulfills the statutory requirements for permanent MFN status, namely, allowing unobstructed emigration for all citizens and signing a bilateral investment treaty.

The granting of conditional MFN in 1993 has helped generate economic reforms such as

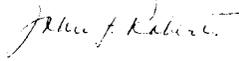
the passage of foreign investment laws to open the Romanian economy, increased privatization of the economy and the establishment of a stock exchange. Due to such reforms, total bilateral trade with the U.S. reached approximately \$600 million in 1995. U.S. exports were nearly \$400 million, while Romania's exports were approximately \$200 million. Specific to the insurance business, Romania allows for the establishment of companies wholly owned by foreign entities, as in the case of AIG Romania Insurance Company, S.A.

Romania's economic progress also includes meeting the International Monetary Fund's and World Bank's criteria of privatization and stabilization, and becoming a member of the World Trade Organization.

Romania has demonstrated clear efforts towards instituting democratic and economic reforms. These efforts have succeeded in laying a foundation for a parliamentary democracy, increasing foreign investment to \$1.6 billion in 1995 and increasing Romanian exports to the U.S.

The U.S. should continue to support Romania's endeavors. I urge the U.S. to accord Romania permanent MFN status.

Sincerely,

A handwritten signature in cursive script, appearing to read "John J. Roberts".

John J. Roberts



The American Jewish  
Committee

OFFICE OF GOVERNMENT AND INTERNATIONAL AFFAIRS  
1156 Fifteenth Street, N.W., Washington, D.C. 20005, Telephone (202) 785-4200, Fax (202) 785-4115

May 6, 1996

The Honorable Philip M. Crane  
Chairman, Subcommittee on Trade  
Committee on Ways and Means  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Mr. Chairman:

On behalf of the American Jewish Committee, I write to urge your support for the permanent extension of Most Favored Nation trade status to Romania, as embodied in the measure you introduced, H.R. 3161, cosponsored by Representatives Kennelly, Lantos, Houghton, Bereuter, Moran and Johnson.

The granting of permanent MFN status for Romania -- as already accorded other Central European states -- is a step that is long overdue. Romania has made considerable progress since the revolution of 1989 in building the infrastructure of democracy and instituting a market economy, and has become an important trading partner for the United States. Adoption of H.R. 3161 would send a powerful signal of U.S. friendship to the Romanian people.

For the American Jewish Committee, which has a deep interest in Romania and monitored with particular vigor the country's treatment of its Jewish population and other minority groups during the oppressive Ceausescu regime, steps by Washington at this time to recognize Romania's progress would be fitting and welcome. We are pleased to note that Romania is in full compliance with the terms of the Jackson-Vanik amendment -- and also that the Romanian government has condemned and distanced itself from anti-Semitic and other extremist groups.

It is my hope that the Committee will take into consideration AJC's strong support of H.R. 3161 as it takes action on this important measure.

With best wishes,

Sincerely,

Jason F. Isaacson  
Director

May 1, 1996

Mr. Phillip D. Moseley  
Chief of Staff  
Committee on Ways and Means  
U.S. House of Representatives  
1102 Longworth House Office Building  
Washington, D.C. 20515

Dear Mr. Moseley:

The American Soybean Association strongly supports the pending bills to grant Most Favored Nation (MFN) status to Romania. We urge timely passage of this legislation which will further trade with an important importer of U.S. soybeans.

Over the years, Romania has imported significant quantities of soybeans. Since 1991 and the start of Romania's liberalization and privatization process, Romania has imported close to 500,000 tons of U.S. soybeans with an approximate value of \$ 120 million. Potential soybean export expansion is considerable, perhaps as much as 200,000 MT per year with an approximate value of \$55 million annual exports.

Clearly, increased trade is an engine of economic development, which is crucial to long term peace and prosperity in that volatile part of the world. Romania is already a good customer for our product, as well as other U.S. goods. We feel very strongly that it should continue to enjoy Most Favored Nation status.

Thank you for the opportunity to voice our strong support for Romania.

Sincerely yours,

A handwritten signature in cursive script that reads "John Long".

John Long  
President, American Soybean Association  
P.O. Box 27300  
St. Louis, MO 63141-1700



Inge B. Fretheim  
President

**Amoco Power Resources Corporation**

c/o Amoco Exploration and Production  
200 Westlake Park Boulevard  
Post Office Box 3092  
Houston, Texas 77253-3092

Telephone: 713-368-6520  
Telex: 203231, 6868237  
Facsimile: 713-368-6502

April 29, 1996

The Honorable Philip M. Crane  
Chairman, Ways and Means Subcommittee on Trade  
1104 Longworth House Office Building  
Washington, DC 20515

Dear Chairman Crane:

I am writing to express Amoco Corporation's full support for the swift enactment of H.R. 3161, a bill granting Romania permanent Most-Favored Nation (MFN) Status.

Since the overthrow of the communist Ceausescu dictatorship in 1989, Romania has instituted a series of market-oriented economic reforms, including privatization of many state run industries. For Amoco, these reforms have led to more than \$40 million of investment in power generation, exploration and production. We also plan to invest more than \$60 million, including building a series of gas stations in Romania, over the next five years.

As a founding member of the World Trade Organization, Romania deserves permanent MFN status. Today, Romania is the only U.S. trading partner that has acceded to the WTO, but who still receives only conditional MFN status. Since the U.S. has twice certified that Romania has met the freedom of emigration requirements for MFN under the Jackson-Vanik amendment, failure to grant Romania permanent MFN privileges could foster greater uncertainty in the bilateral economic and commercial relationship and hinder Romania's efforts to overcome the political and economic challenges left by 40 years of communist rule. Therefore, we urge you to adopt H.R. 3161 and grant Romania permanent MFN status.

Sincerely,

A handwritten signature in black ink, appearing to read "Inge B. Fretheim".



OFFICERS OF THE NATIONAL COMMISSION  
 NATIONAL CHAIR  
 DAVID H. STRASSLER  
 National Executive Director  
 ABRAHAM H. FOXMAN  
 CHAIR  
 National Executive Committee  
 HOWARD P. BERKOWITZ  
 Chief Operating Officer  
 PETER J. WOLPER  
 Board of Directors  
 ROBERT A. RAUS  
 RICHARD L. HALLAM  
 SCHWABER CALABRO  
 MAXWELL E. GREENBERG  
 BURTON M. JOSEPH  
 BURTON S. LEVINSKY  
 MELVIN S. MARGEL  
 Vice-Chairs  
 MEYER FISENBERG  
 THOMAS R. HAMBURGER  
 RUTH KAMEN  
 JELLYN BRESNAN  
 CESTER P. BLACK  
 JOE SPYRAGLON  
 Honorary Vice-Chairs  
 LEONARD E. ABESS  
 EDWIN B. BLACKBURN  
 RUDY B. SCHWARTZ  
 ERIC W. BROTHMAN  
 MAXWELL DANE  
 MAX FISHER  
 BRUCE J. FUCHSMAN  
 JEROME H. FRIED  
 MAX M. KAMAROFFMAN  
 SAM KANE  
 FREDERICK KUTZNICK  
 FREDERICK  
 SIMONE H. MILLER  
 BERNARD J. MINZ  
 WILLIAM F. LINDEN  
 NORMAN NATHAN  
 ROBERT E. NATHAN  
 ANITA H. PERKINS  
 SHIRLEY W. YAFFE  
 Vice Chair  
 National Executive Committee  
 BARBARA HANSEN  
 Trustees of ADL  
 National Executive Committee  
 THOMAS R. HAMBURGER  
 MICHAEL J. SHERIDAN  
 Trustees  
 ROBERT H. NATHAN  
 Associated Trustees  
 SYDNEY FARROW  
 Trustees Emeriti  
 CHARLES C. LEVINSKY  
 ALAN KUTNER  
 Secretaries  
 BRUCE SHAPIRO  
 Assistant Secretary  
 LAWRENCE A. LIFER  
 \*  
 President, B'nai B'rith  
 THOMAS F. HARR  
 Executive Vice President  
 B'nai B'rith  
 SYDNEY CLEARFIELD  
 President  
 B'nai B'rith Women  
 SUSAN BRUCE  
 Executive Director  
 B'nai B'rith Women  
 NORMA TUCKER  
 \*  
 ASSISTANT NATIONAL DIRECTORS  
 Development  
 STUART FAIBER  
 Program & International Affairs  
 KENNETH H. COBBIN  
 \*  
 DIVISION DIRECTORS  
 Civil Rights  
 JEFFREY F. GARDENSKY  
 Community Service  
 ANN TOURK  
 Finance and Administration  
 ROBERT HANSEN  
 Leadership  
 Assistant to the National Director  
 MARK H. GREEN  
 Marketing and Communications  
 MARK A. LUBMAN  
 \*  
 Washington Representative  
 JESS N. HORDS  
 \*  
 General Counsel  
 ARNOLD FURSTER  
 Assistant General Counsel  
 JUSTINE FINGER

May 3, 1996

The Honorable Philip M. Crane  
 Chairman  
 Subcommittee on Trade  
 United States House of Representatives  
 Washington, DC 20515

Dear Representative Crane:

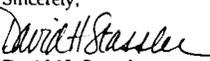
We are writing to recommend that the Subcommittee on Trade vote to grant Romania permanent most-favored-nation trade status with the United States as is enjoyed by other former Communist countries in Eastern and Central Europe.

We have long been concerned with popular anti-Semitism in Romania, particularly with local anti-Jewish violence and the veneration of fascist dictator Marshal Ion Antonescu.

We have repeatedly shared our concerns with Romanian President Ion Iliescu and have found him sensitive and receptive.

While the problem of anti-Semitism persists in Romania, the Government has made significant progress in dealing with this issue and promoting democracy and tolerance.

Thank you for taking our views into consideration.

Sincerely,  
  
 David H. Strassler  
 National Chairman

  
 Abraham H. Foxman  
 National Director

cc: The Honorable Benjamin Gilman  
 Jess N. Hordes, ADL Washington Representative

# Armenian National Committee of America

888 17th Street, NW, Suite 904, Washington, DC, 20006 • Tel (202) 775-1918 • Fax (202) 775-5648

April 13, 1996

Dear Representative:

The Armenian National Committee of America (ANCA) stands with Congress of Romanian Americans (CORA) in supporting H.R. 3161 and will work with the Romanian American community to ensure that the Congress enacts a permanent extension of nondiscriminatory treatment to the products of Romania. This bipartisan legislation is long overdue and should be passed at the earliest opportunity.

On this issue, and others, the ANCA is committed to working with CORA to promote policies which advance the cause of peace, extend the scope of democracy and broaden the sphere of economic security. This cooperation was well illustrated recently by CORA's support for the passage of the Armenian Genocide resolution (H.Con.Res.47), which calls upon Turkey to abandon its ongoing campaign to deny the Armenian Genocide. The support of CORA on this deeply meaningful issue is greatly appreciated by the Armenian American community.

Sincerely yours,



Aram Hamparian  
Executive Director

---

*Regional Offices*

---

Armenian National Committee of America  
Western Region Headquarters  
104 N Belmont, Suite 208, Glendale, CA 91206  
Tel. (818) 500-1918 • Fax (818) 246-7353

Armenian National Committee of America  
Eastern Region Headquarters  
80 Bigelow Ave., Watertown, MA 02172  
Tel. (617) 923-1918 • Fax (617) 926-1750

**AUDIO VIDEO SERVICES, INC.**

1351 Oakbrook Drive Suite 120,  
Norcross, Georgia 30093  
Phone: 770-441-1312, Fax: 770-441-0595

Atlanta, April 28, 1996

To: Phillip D Moseley, Chief of Staff  
Committee on Ways and Means  
U.S. House of Representatives  
1102 Longworth House Office Building  
Washington D.C. 20515

Dear Mr. Moseley,

On behalf of myself and my company, as well as other romanian-american businessmen, I'm submitting to you this statement and comments on The Extension of Unconditional Most-Favored-Nation Treatment to Romania. We believe that our former country is proving continuously its effort for democracy, human rights and free market economy, and therefore granting Permanent MFN Status to Romania will benefit both Romania and USA.

Romania's transformation from a centrally planned, inefficient state system to a free market has been slow, steady and unheralded. Unlike some of its Central and eastern European neighbors, whose first steps have been followed by a slowing, or in some cases, a reversal of economic liberalization, Romania continues to march steadily ahead toward a free market economy, integrated into the Western economic system.

Romania's quiet inexorable change has not been without cost. Romania experienced negative growth in the early 90's. But beginning in 1993, Romania turned its economy around and has reached a point today where both multilateral economic institutions such as World Bank and the world's private sector companies now routinely invest in Romania's future.

Some key examples of Romania's recent successes are:

-Foreign investment in Romania at the end of 1995 topped 1.6 billion, about 25% more than 1994.

-On June 4, 1995, President Iliescu signed a law launching an accelerated privatization program. Share coupons were given to population allowing them to invest in more than 3,300 companies to be privatized by 1997. Privatization of the economy will accelerate this year, by implementing the new amendments of the Privatization Law ( selling of near 3000 state owned enterprises ).

-The Bucharest stock exchange, which reopened earlier this year after 50 years, will facilitate the implementation and the expansion of the privatization program

-The agriculture sector has been one of the first sectors to return to private control. As a result of this, for the first time in years, Romania will become a net exporter of wheat. Romania is poised to re-emerge as a major player in the European grain markets and resume its historic role as the bread-basket of the Balkans.

-The foreign trade volume reached \$17 billion with exports accounting for \$7.6 billion, 22% more than in 1994.

-Romania's inflation rate has declined sharply to 25% in 1995, down from 62% in 1994 and 300% in 1993.

Romania is totally committed to democracy, the free market and full economic and political integration with the West. Romania believes that its destiny lies with the West and especially with the US.

In the foreign policy area, Romania has worked side by side with the United States to achieve peace and stability in the region - often at a direct and substantial cost to itself ( participants in IFOR in Bosnia and the first nation to join the Partnership for Peace). Romania is also looking forward to a full NATO membership, and is truly one of

America's staunchest allies in the region. There is absolutely significant political consensus, both at the leadership and common people level.

In the economic area, Romania's transition has been more difficult than that of several of its neighbors, because the past legacy was more deeply engraved and more difficult to overcome. Nevertheless, Romania's march toward the free market has been steady and without reversal. Today 45% of Romania's Gross Domestic Product is provided by its private sector.

Underlying these dramatic reforms are a number of critical actions taken in 1995:

-The Romanian-American Enterprise Fund became operational and the first project was funded.

-The IMF agreed to give Romania a \$400 million disbursement for macroeconomics stabilization.

-The World Bank committed an additional \$280 million for restructuring, privatization and banking reform.

-The World Bank approved \$110 million for power sector rehabilitation.

Today, with a population of 23 million, Romania offers to Western investors the second largest market in Central Europe, a growing demand for consumer goods, a wealth of natural resources, a skilled and inexpensive labor force, and untapped tourism opportunities from the Transylvanian Alps to the beaches of the Black Sea.

For the first time a special Committee on American - Romanian relations has been established with the specific task of promoting business and strategic cooperation with American partners.

The democratic movement in Romania is alive and well. There are numerous parties representing the interests of minorities and others. There is a vibrant free press, and there have been no government-sanctioned incidents of human rights abuse or anti-Semitism. We believe that Romania is committed to preserve a tolerant, open society, and we hope that also the 1996 elections will prove this.

Romania needs America's help in order to sustain the wisdom of this course of action. America can help Romania not only with financial assistance, but with the permanent extension of Most Favored Nation Status - which will bring economic and social benefits for both Romanians and Americans, and with inclusion into an expanded NATO on the same basis as that of its neighbors.

Both Romania and the United States have mutually benefited from the provisional MFN extension to Romania. Exports from both nations have increased, but not to the extent needed and justified, at the same time, by the existing economic and political potential.

The full benefit, however, cannot be achieved until permanent MFN is granted. The lack of permanent MFN status at the time when the United States has granted such status to nearly every other Central European country can be disruptive to Romania's trade liberalization and economic reform.

Although both Romania and United States are original World Trade Organization (WTO) Members, Romania being fully committed to uphold and promote its principle of non-discrimination and trade liberalization, the absence of permanent MFN status has led to an unnatural non-application of the WTO's provisions between the two countries.

In conclusion we believe that Romania meets all statutory criteria, including free emigration procedures, to be granted Permanent MFN Status.

As proud and loyal citizens of the United States, remembering the country we came from, and where our families and relatives still live, we ask you to grant Romania's the Permanent MFN Status. This will help us as businessmen to develop our partnership with other companies from Romania.

Sincerely,  
AUDIO VIDEO SERVICES, INC.



Cornel Vinter  
President and CEO

**BELEAGROUP**  
INTERNATIONAL

305 East 46 Street  
New York, NY 10017  
212/421-0326  
Fax 212/421-0316

April 23, 1996

Mr. Philip Moseley, Chief of Staff  
Committee on Ways and Means  
U.S. House of Representatives  
1102 Longworth House Office Building  
Washington, D.C. 20515

Re: Romania / Permanent Extension of MFN Status

Dear Mr. Moseley,

Since 1991 my company has been involved with other major U.S. companies, in finding new business territories in Central Europe. Romania was one of these countries.

Emerging from communism, Romania, like all the other central European nations, is following the path of democracy. Creation of private business was up in 1995 and we find that more people and companies are moving in this direction. Much of the necessary legislative framework for a market economy is in place.

I know how important it is for Romanian companies to do business with U.S. companies and I know that for the U.S. it is also important.

Romania, with a population of 23 million, is the second largest country in that region. It is strategically located with the potential for prosperous business endeavors.

Mr. Moseley, I am writing to you with the hope that you and your colleagues will help Romania in obtaining a permanent extension of most-favored-nation treatment.

Sincerely,



Octavian Belea  
President

## B ' N A I B ' R I T H

---

TOMMY P. BAER, INTERNATIONAL PRESIDENT  
May 6, 1996

Congressman Philip Crane  
Chairman  
Subcommittee on Trade  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Chairman Crane:

Since 1975, B'nai B'rith has monitored developments in Romania. Since 1989, we have paid close attention to progress on human rights and democratization in that country. In July of 1995, I visited Bucharest for two days and discussed human rights and other issues of concern to the Jewish community with a number of high-level Romanian officials. I have met with President Iliescu on two occasions to explore with him what his government can do to advance the process of democratization and legal protection for pluralism.

While we have had differences with the Iliescu government in the past, B'nai B'rith is satisfied that the Iliescu government has taken appropriate steps over the past year to disavow, discredit and marginalize those problematic elements in Romania that have opposed democracy and wish to bring back either communism, fascism, or some combination of the two. Indeed, we are pleased that President Iliescu has a particularly close relationship with the Bucharest Jewish community and has been sensitive to its concerns.

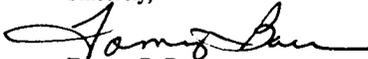
I am therefore writing to urge you and the other members of the Subcommittee on Trade to grant Romania permanent most-favored-nation trade status with the United States. Romania has not only made significant progress toward democracy, but its bilateral relationship with the United States is important to America's commercial and strategic interests.

Other countries in former Communist Eastern and Central Europe now have permanent MFN status. We believe that it is time for Romania to receive that status as well.

Thank you for taking our views into consideration.

With kind wishes.

Sincerely,



Tommy P. Baer

**Philip M. Condit**  
President  
Chief Executive Officer

The Boeing Company  
P.O. Box 3707, #MS 10-10  
Seattle, WA 98124-2207

April 29, 1996

**BOEING**

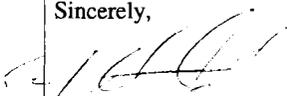
The Honorable Bill Archer  
Chairman  
Committee on Ways and Means  
1102 Longworth House Office Building  
United States House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

We are pleased to hear of the introduction of H.R. 3161, a bill that will permanently restore nondiscriminatory treatment to imports into the US from Romania. We are of the opinion that conditional Most Favored Nation (MFN) treatment is an anomaly in the case of Romania. Of the six central and east European countries that have acceded to the WTO -- the Czech Republic, Hungary, Poland, Romania, the Slovak Republic and Slovenia -- only Romania does not have permanent MFN.

In view of the existence of a ratified bilateral trade agreement between our two countries and the fact that Romania has been certified as being in compliance with the freedom of emigration requirements of the Jackson-Vanik amendment to Title IV of the Trade Act of 1974, The Boeing Company supports the above legislation.

Sincerely,



P. M. Condit

James R. Boesch  
100 Meadow View Drive  
Wethersfield, CT 06109  
Tel. (203) 257-8700  
Fax (203) 529-0530

April 29, 1996  
Mr Phillip D. Mosley, Chief of Staff  
Ways and Means Committee  
United States Congress  
Washington D.C.

Dear Mr Mosley;

I write in support of legislation that would enact permanent **Most Favored Nation Status to the Country of Romania.**

I am former mayor of Wethersfield and travelled to Romania in 1990 more out of curiosity and ultimately with the hope of developing a good business relationship. I met with many of the new democratic government leaders, many of which are still in leadership positions today. In fact some have visited Connecticut and I would like to think because of my participation, we have seen a blossoming relationship begin to grow fruitfully. May I add that one of the most universal statements made by the citizenry of Romania is, **"We have been waiting for the Americans to come for over fifty years."**

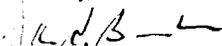
I have worked for the last three years to effect a "Sister State" relationship with Connecticut and last year Governor Nicolae Balanoiu of Prahova, soon to be named 2nd Ambassador to China, visited Connecticut to further encourage this legislative Act.

This year under the sponsorship of Reps. James Amman & Betty Boukus and Sen. Doc Gunther, a bill was submitted and passed to the House and Senate by the G.A.E. Committee. I hope this will be passed by both the House and Senate in the next two weeks. I have included a copy of this bill for your information and perusal.

Recently, I visited Romania and it was confirmed that all the requirements by the United States government visa vis the Jackson-Vanik amendment ie., allow free immigration, have a bi-lateral commercial agreement with the U.S. effected, and a Copyright Law was passed by the legislature to be effective April 1, 1996 so that they are in compliance.

I ask those members of the Ways and Means Committee to please vote in favor of moving this the legislation for permanent Most Favored Status for Romania out of Committee and to the House and Senate with favorable consideration not just because we in Connecticut hope to be good friends and business partners but also because this nation has works in accord with the United States.

Sincerely,

  
James R. Boesch



**REV. DAVID E. BUMBAUGH  
REV. BEVERLY A. BUMBAUGH**

131 MOUNTAIN AVENUE

SUMMIT, NJ 07901

908-273-3828

May 2, 1996

Phillip D. Moseley, Chief of Staff  
Committee on Ways and Means  
U. S. House of Representatives  
1102 Longworth House Office Building  
Washington, DC 20515

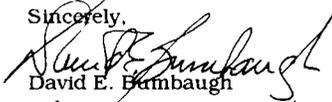
Dear Mr. Moseley,

We wish to express our deep concern over the proposal to extend permanent Most Favored Nation status to Rumania. For the past several years, the Unitarian Universalist Congregation we serve has had a partner-relationship with a Hungarian-speaking Unitarian congregation in Transylvania. Over that time we and other members of our church have had extensive correspondence with and visits to our partners in Rumania.

It has become clear to us that in the area of protection of the rights of minorities within its borders, the national government in Rumania has not yet enacted laws or developed policies which would bring it into compliance with its commitments under international law and treaties to which it is a signatory. Indeed, hostility toward the Hungarian minority in Transylvania continues with attempts to restrict the use of the Hungarian language and the expression of Hungarian culture. What is more, the government continues to refuse the return of church properties expropriated by the previous regime.

We believe it would a mistake to extend permanent Most Favored Nation status at this time. To do so would suggest that we are no longer concerned about the plight of minority groups in Rumania. Therefore, we urge you not to make the status of Most Favored Nation permanent until the Rumanian government demonstrates its willingness and its ability to provide the protection to minority cultures which it has promised its people and the world.

Sincerely,

  
David E. Bumbaugh

  
Beverly A. Bumbaugh



## CONGRESS OF ROMANIAN AMERICANS

CONGRESUL AMERICANILOR  
DE ORIGINA ROMANA

May 3, 1996

Phillip Moseley  
Chief of Staff  
Committee on Ways and Means  
US House of Representatives  
Longworth House Office Bldg.  
Washington, D.C. 20515

BOARD OF DIRECTORS  
Bishop Nathaniel Popp  
*Chairman*  
Armand A. Scala  
*President & Secretary*  
Mark A. Meyer, Esq.  
Archbishop Victorin Ursache  
*Vice-Presidents*  
Corneliu Mohoreanu  
*Treasurer*

Dear Members of Congress:

Rev. Fr. Nicholas Apostola  
The Honorable Willis Armstrong  
George Coca  
Rev. Fr. Richard Grabowski  
John M. Gurley, Esq.  
Traian Lascau  
Virginia Jane Martin  
Ronald Muresan, Esq.  
John P. Stantiz  
Card M. Stevens  
Christine Vainy

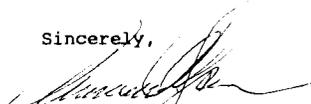
Romania's people need your strong support for H.R.3161, the granting of permanent MFN status. The people of Romania are moving toward a market economy even faster than is their government. They should know that the United States is not standing in their way but, in fact, is acknowledging their struggle and is removing from their path, any obstacles to free enterprise. Their agricultural operations have been nearly totally privatized, and rapidly growing enterprises, with significant American investment, are increasing in number, doubling from 1993 to 1994, and again doubling in 1995. The total foreign investment in Romania recently has been estimated at \$1.6 billion. The Romanians have moved in this direction despite a heavily centralized economy and stifling bureaucracy.

Romania's recent past speaks for itself in demonstrating its commitment to democracy and its determination to achieve this end. Since 1989, and the upset of the Communist dictatorship in this country, these people have worked hard to strengthen democracy and to develop a diverse and growing market economy. Their new Constitution, embracing a presidential-parliamentary democratic form of government was in place by 1991, and their last national election was determined by international judges to be fair and free from tampering.

Those opposed to a free market economy in Romania should not be able to argue that the U.S. and adversaries of Romania are the cause of current suffering by the Romanian people or the cause of the failure of a market economy in that country.

Romania deserves the permanent extension of MFN status. We urge you to judge these achievements fairly and support Romania in its endeavor.

Sincerely,



Armand A. Scala

**DAVID INTERNATIONAL ENTERPRISES CORP.**

April 19, 1996

Mr. Philip Moseley  
Chief of Staff  
Committee on Ways and Means  
U.S. HOUSE OF REPRESENTATIVES  
1102 Longworth House Office Building  
Washington, DC 20515

**REF: ROMANIA'S MOST FAVORED NATION (MFN) PERMANENT TRADE STATUS**

Dear Mr. Moseley:

David International Enterprises Corp. (DIEC) is an American Company engaged in trade namely, import/export to/from Romania.

Our Company would not exist without the re-instatement of MFN on a temporary basis by U.S. Congress, in 1993.

Since 1993 the trade exchanges between Romania and USA have increased substantially year after year.

We at DIEC are extremely happy with the way our business relationships have developed with several major Romanian industrial manufacturers of electro-mechanical equipment. At the present time we import these type of equipment in the U.S.

We see enormous opportunities for U.S. Corporations in helping re-building Romania's infrastructure (Power, Communications, Roads). These would create jobs in the U.S. and in Romania and would also create another avenue for U.S. investments in this country. Through our efforts we have engaged Romania in trade with Major American Corporations such as Ingersoll Dresser Pump Co., Westinghouse and Ideal Electric.

Romania possesses a highly educated workforce generated by an excellent multi level educational system.

We see that granting the MFN **permanent** status by the US Congress to be mutually beneficial.



On a personal level, the undersigned - at present a U.S. Citizen is a native of Romania and also educated in Romania and the same applies to Mr. Constantin David who founded this corporation.

We visit Romania often on business and also for pleasure. We have dear friends in Romania and we sincerely love Romania.

We would like to see a prosperous Romania, a country whose people work hard and wish to participate and contribute, within the existing bi-lateral and multi-lateral organizations, to peace, understanding among nations and achieving a better life for all.

We urge you to help Romania obtain the MFN permanent status.

Very Truly Yours,

Herold Hertanu, PE  
Executive Vice President

HH/er

**DE LEUW, CATHER** A PARSONS TRANSPORTATION GROUP COMPANY

---

De Leuw, Cather & Company • 1133 15th Street, NW • Washington, DC 20005-2701 • (202) 775-5500 • Fax: (202) 775-3422

April 26, 1996

Mr. Philip Moseley  
Chief of Staff  
Committee on Ways and Means,  
U.S. House of Representatives  
1102 Longworth House Office Building  
Washington, DC 20515

Subject: Extension of Unconditional Most-Favored-Nation Treatment to Romania

Dear Mr. Moseley:

At present Romania's trade status is subject to the Jackson-Vanik amendment to Title IV of the Trade Act of 1974. On November 2, 1993, President Clinton signed into law P.L. 103-1333, approving the extension of MFN treatment to the products of Romania under the United States-Romania Trade Agreement. On May 19, 1995, the President found Romania to be in full compliance with the requirements contained in the Jackson-Vanik amendment. Romania is also a member of the World Trade Organization.

After the extension of MFN treatment to the products of Romania, two-way trade between the United States and Romania rose from \$376 million in 1993 to \$528 million in 1994. During the first nine months of 1995, two-way trade between the United States and Romania totalled \$349 million. From January through September 1995, U.S. exports to Romania were valued at \$175 million, while imports from Romania equalled \$173 million.

Given Romania's political and economic achievements, its compliance with the law and its success in using MFN as a means of driving economic reforms, I wish to express my support for affording MFN status to Romania.

Thank you for your consideration.

Sincerely,



Robert S. O'Neil  
President

cc: Ambassador Mircea Geoana

 **PARSONS**

**AD HOC INDUSTRY COALITION  
GRANTING PERMANENT  
MOST FAVORED NATION  
STATUS TO ROMANIA**

May 3, 1996

We would like to convey our strong support for granting Romania permanent Most Favored Nation (MFN) status this spring. This measure is being considered by the House Ways and Means Subcommittee on Trade as H.R.3161. A companion bill, S. 1644, is pending before the Senate Finance Committee. Granting permanent MFN status is fully in line with the growing commercial relationship between our two countries. Romania has made significant strides on the path towards democracy and an open economy, and thus should be encouraged to remain on that path through the accord of permanent MFN status.

Currently, the U.S. enjoys a relatively large trade surplus with Romania, estimated at over \$200 million in 1995. The signing of the U.S.-Romania Bilateral Investment Treaty and steady progress towards a more stable legal and regulatory regime should serve as a catalyst for increased foreign direct investment and exports. Trade and investment should continue to grow significantly with the granting of unconditional MFN status. This matter has an impact on the ability of the United States to create jobs, sustain its economic growth through exports and participate effectively in the international marketplace.

Romania has demonstrated a strong desire to cooperate with the U.S. on trade matters. Unlike many other central and eastern European countries, Romania is not cited in the *1996 National Trade Estimate Report on Foreign Trade Barriers*. According unconditional MFN status sends an important signal that the U.S. rewards those countries that play by the rules. Moreover, should the need arise, the extension of permanent MFN will enable U.S. corporations protection under the rules of the GATT and the WTO.

Given Romania's political, economic and social achievements over the last few years, it fully meets the standards for permanent MFN status. We stand ready to work with you toward this important goal and appreciate your consideration of our views.

Sincerely,

The Dow Chemical Company	Procter & Gamble
Dresser Industries	Tenneco
General Electric Company	United Technologies Corporation
Hughes Electronics	Western Atlas, Inc.
McDonnell Douglas Corporation	Westinghouse Electric Corporation

## FIRST ROMANIAN BAPTIST CHURCH

Rev. Dr. Teofil Cocean, Pastor

220 Worthington Hills Trace, Roswell, Georgia 30076

Phone/Fax: 770-992-4274

Atlanta, April 29, 1996

To: Phillip D. Moseley, Chief of Staff  
Committee on Ways and Means  
U.S. House of Representatives  
1102 Longworth House Office Building  
Washington D.C. 20515

Dear Mr. Moseley,

On behalf of myself and First Romanian Baptist Church, the largest Romanian organization from Georgia, I'm submitting to you this statement and comments on The Extension of Unconditional Most-Favored-Nation Treatment to Romania. We believe that our former country is proving continuously its effort for democracy, human rights and free market economy, and therefore granting Permanent MFN Status to Romania will benefit both Romania and USA.

Romania's transformation from a centrally planned, inefficient state system to a free market has been slow, steady and unheralded. Unlike some of its Central and eastern European neighbors, whose first steps have been followed by a slowing, or in some cases, a reversal of economic liberalization, Romania continues to march steadily ahead toward a free market economy, integrated into the Western economic system.

Romania's quiet inexorable change has not been without cost. Romania experienced negative growth in the early 90's. But beginning in 1993, Romania turned its economy around and has reached a point today where both multilateral economic institutions such as World Bank and the world's private sector companies now routinely invest in Romania's future.

Some key examples of Romania's recent successes are:

-Foreign investment in Romania at the end of 1995 topped 1.6 billion, about 25% more than 1994.

-On June 4, 1995, President Iliescu signed a law launching an accelerated privatization program. Share coupons were given to population allowing them to invest in more than 3,300 companies to be privatized by 1997. Privatization of the economy will accelerate this year, by implementing the new amendments of the Privatization Law ( selling of near 3000 state owned enterprises ).

-The Bucharest stock exchange, which reopened earlier this year after 50 years, will facilitate the implementation and the expansion of the privatization program.

-The agriculture sector has been one of the first sectors to return to private control. As a result of this, for the first time in years, Romania will become a net exporter of wheat. Romania is poised to re-emerge as a major player in the European grain markets and resume its historic role as the bread-basket of the Balkans.

-The foreign trade volume reached \$17 billion with exports accounting for \$7.6 billion, 22% more than in 1994.

-Romania's inflation rate has declined sharply to 25% in 1995, down from 62% in 1994 and 300% in 1993.

Romania is totally committed to democracy, the free market and full economic and political integration with the West. Romania believes that its destiny lies with the West and especially with the US.

In the foreign policy area, Romania has worked side by side with the United States to achieve peace and stability in the region - often at a direct and substantial cost to itself ( participants in IFOR in Bosnia and the first nation to join the Partnership for Peace). Romania is also looking forward to a full NATO membership, and is truly one of

America's staunchest allies in the region. There is absolutely significant political consensus, both at the leadership and common people level.

In the economic area, Romania's transition has been more difficult than that of several of its neighbors, because the past legacy was more deeply engraved and more difficult to overcome. Nevertheless, Romania's march toward the free market has been steady and without reversal. Today 45% of Romania's Gross Domestic Product is provided by its private sector.

Underlying these dramatic reforms are a number of critical actions taken in 1995:

-The Romanian-American Enterprise Fund became operational and the first project was funded.

-The IMF agreed to give Romania a \$400 million disbursement for macroeconomics stabilization.

-The World Bank committed an additional \$280 million for restructuring, privatization and banking reform.

-The World Bank approved \$110 million for power sector rehabilitation.

Today, with a population of 23 million, Romania offers to Western investors the second largest market in Central Europe, a growing demand for consumer goods, a wealth of natural resources, a skilled and inexpensive labor force, and untapped tourism opportunities from the Transylvanian Alps to the beaches of the Black Sea.

For the first time a special Committee on American - Romanian relations has been established with the specific task of promoting business and strategic cooperation with American partners.

The democratic movement in Romania is alive and well. There are numerous parties representing the interests of minorities and others. There is a vibrant free press, and there have been no government-sanctioned incidents of human rights abuse or anti-Semitism. We believe that Romania is committed to preserve a tolerant, open society, and we hope that also the 1996 elections will prove this.

Romania need America's help in order to sustain the wisdom of this course of action. America can help Romania not only with financial assistance, but with the permanent extension of Most Favored Nation Status - which will bring economic and social benefits for both Romanians and Americans, and with inclusion into an expanded NATO on the same basis as that of its neighbors.

Both Romania and the United States have mutually benefited from the provisional MFN extension to Romania. Exports from both nations have increased, but not to the extent needed and justified, at the same time, by the existing economic and political potential.

The full benefit, however, cannot be achieved until permanent MFN is granted. The lack of permanent MFN status at the time when the United States has granted such status to nearly every other Central European country can be disruptive to Romania's trade liberalization and economic reform.

Although both Romania and United States are original World Trade Organization (WTO) Members, Romania being fully committed to uphold and promote its principle of non-discrimination and trade liberalization, the absence of permanent MFN status has led to an unnatural non-application of the WTO's provisions between the two countries.

In conclusion we believe that Romania meets all statutory criteria, including free emigration procedures, to be granted Permanent MFN Status.

As proud and loyal citizens of the United States, remembering the country we came from, and where our families and relatives still live, we ask you to grant Romania's the Permanent MFN Status. May God bless you with wisdom to make the right decision.

Sincerely,  
FIRST ROMANIAN BAPTIST CHURCH



Rev. Dr. TITUS COCEAN, Pastor

## THOMAS C. FISH

49 MAIN STREET RIDGEFIELD CT 06877 U.S.A.

TELEPHONE: 203-4384419

FACSIMILE: 203-438-4219

CONSULTANT - INTERNATIONAL BUSINESS DEVELOPMENT

April 18, 1996

Mr. Phillip D. Moseley  
Chief of Staff Committee on Ways and Means  
U.S. House of Representatives  
1102 Longworth House office Building  
Washington, D.C. 20515

Dear Mr. Moseley:

I write to the United States House of Representatives, Committee on Ways and Means, to support the legislation providing Romania with permanent Most Favored Nation ("MFN") status. As a matter of background, on March 31, 1996, I retired after thirty years of service with Crane Co., a New York Stock Exchange listed company, located in Stamford, CT. Since retirement, I work as a special consultant to Crane for the purpose of ensuring continuity and maintenance on certain international business development programs. One such program involves IAIFO, S.A., situated in the city of Zalau, in the Transylvania region of Romania.

Over the past six years, I held the position, Vice President, International Development, Crane Co. and prior to that time, I was an officer of Crane specializing in Corporate and International Business Development, Corporate Planning and Mergers and Acquisitions. Beginning in 1992, I coordinated a project for the Crane Valves Group, developing a business relationship with the IAIFO organization. The relationship began with the procurement of industrial valves for sale within Crane's worldwide distribution network. During the early stage of this relationship, Romania had not yet received MFN status and the higher tariffs were a limiting factor in reaching market goals. Since Romania's receipt of MFN status in 1993, the commercial relationship between Crane Valves and IAIFO has expanded and sales have increased steadily each year. The original vendor/supplier arrangement was expanded in 1994 to a License, Distribution and Cooperation Agreement, including direct investments by Crane into the IAIFO factory to ensure that the manufactured valves comply with quality standards and delivery times needed to serve the market place. In 1995, the IAIFO/Crane venture, exported approximately US\$ 6 million from the Romanian factory and we expect this level to increase in future years.

As the key intermediary for Crane in the IAIFO project, I travel extensively to Romania. During these visits, I met with business and government officials to further the commercial activities between our two companies. The meetings with government officials in Romania and with representatives from the Romanian Embassy and Commercial Consulate Offices in the United States, provided additional assistance to Crane in solidifying this project.

Over the years, I have seen positive economical development in Romania. I am reminded by the fact that after the revolution in 1989, the country undertook its first steps towards implementing a democratic society, altering the communistic system in place for so many years. During the early period of change, I viewed a

Romanian population having little to smile about, lacking basic food stuffs, clothing and supplies. There continues to be many problems facing the Romanian economy in its pursuit to a market oriented system. For the majority of the populace, a significantly improved standard of living has not yet been attained, however, the economy and the privatization process is in place and these factors will benefit the country. Industrial development has been slow and early transition was marked with severe adversities, including high rates of inflation, eroding real wages. A private market economy is now clearly visible in Romania. I have more recently witnessed a steady improvement in living conditions and a dramatic change in the availability of food, clothing and other basic necessities of life.

There is a pressing need to rebuild the infrastructure in Romania, requiring substantial investments. I believe that by granting a permanent MFN status to Romania will be viewed by United States business leaders as a sign that the time is "ripe" to invest in business opportunities. A permanent MFN status represents a vital element to assist Romania in developing a market economy and strengthening its democratic system.

I am a director of the Romania/American Chamber of Commerce and continue to promote business development. I energetically strive to assist United States companies to understand the advantages of doing business in Romania. The United States legislation granting Romania a permanent MFN status, will benefit both countries and will assist Romania in attracting investment. In doing this, Romania will achieve higher levels of industrial production and significantly strengthen its government in the pursuit a democratic society and freedom.

A number of important factors sustain the granting of permanent MFN status to Romania:

- Romania's compliance in meeting a full and free immigration policy for its citizens.
- A policy of human rights for all of its citizens.
- A bilateral investment treaty has been signed between the United States and Romania.
- National elections have been held with the participation from multiple political parties.
- An active and free within the country.
- Support of United States international policy in various regions of the World.
- IMF and World Bank economic criteria have been met.

Romania is clearly on a path towards democracy and an open economy and should be encouraged to remain on that path. I support the passage of permanent Most Favored Nation status to Romania.

Please let me know if I can clarify or supplement this correspondence.

Very truly yours,



## FOR PETE'S SAKE

Factory & Shipping  
260 W. 39TH Street  
N.Y.C., N.Y. 10018  
(212)840-6894  
Fax(212)840-1843  
Telex 238790 NYK-UR

New York Showroom  
1407 Broadway  
Suite 1406A  
New York, N.Y. 10018  
(212)391-2490  
Fax(212)768-7479

4/12/96

Mr. Philip Moseley  
Chief of Staff Committee on Ways and Means  
U.S. House of Representatives  
1102 Longworth House Building  
Washington D.C. 20515

Dear Mr. Moseley:

I am writing on behalf of the immediate granting of permanent most favored nation status to Romania.

After the last meeting between Presidents Clinton and Iliescu, the atmosphere was very positive with assurances by both men that our two countries would enjoy mutual support and continued together to take necessary steps to assure those mutual interests shared jointly by free democratic countries.

I have been doing business in Romania since 1980. I was one of the only American companies to remain in business with Romania during the loss of Most Favored Nation Status. After the overthrow and with the help of the new free market economy laws, we took the necessary steps to form our first venture which has become the nucleus of our holdings. Freeland SRL is this trading company which employs 30 management and technical people. Our company, For Pete's Sake Apparel LTD is a ladies apparel manufacturer in the United States with sales in the \$20,000,000 range.

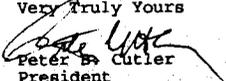
Freeland is the commercial end of our operation handling all import and export operations. It has also been instrumental in securing other joint ventures and privatization we have completed.

Our investments in Romania include a Hotel/Lodge in Campulung Moldovenesc (Alpin Corner), a spinning mill in Pascani (Linoland), a weaving mill in Brasov (Carpatex), and a garment factory in Suceava, (Starmod). These endeavors employ approximately 6000 people. We also use other spinning mills, weaving sections and factories which are essential to our operation, but do not share in their ownership. We estimate that an additional 7500 people are employed through our businesses in Romania and in America.

Because of my great faith in the Romanian people, who I find to be hard working and deeply committed to advancing the new positive atmosphere in their country, I will continue to move forward in business there, striving to do my part in advancing socially responsible and prudent strategies.

In order to assure that others companies as well as private investors continue to consider Romania as a worthy investment opportunity, and to further assure that the great strides and advancement of free market and democratic thinking continues to flourish, I strongly urge the Granting of permanent Most Favored Status to Romania.

Very Truly Yours

  
Peter B. Cutler  
President

**Frank Russell Company**

PO Box 1616  
Tacoma, Washington 98401  
Telex 327431  
Fax 206-591-3495  
206-572-9500

May 3, 1996

Mr. Philip Moseley  
Chief of Staff  
Committee on Ways and Means  
U.S. House of Representatives  
1102 Longworth House Office Building  
Washington, DC 20515

Dear Mr. Moseley:

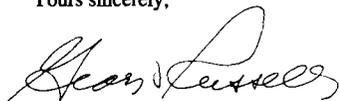
Frank Russell Company is one of the world's leading asset strategy consultants. Founded in Tacoma, Washington in 1939, the company has evolved into a multifaceted financial services organization with worldwide influence in the field of institutional investing. Our corporate headquarters remains in Tacoma; however, today we have offices in New York City, London, Toronto, Paris, Tokyo, Sydney, and Auckland.

As the largest consultant to pension funds in the world, representing more than \$600 billion globally, in 1990 I established the Russell 20-20, a group of 20 global pension fund investors and 20 institutional money management organizations to begin to study investment environments of countries emerging from command economies to some form of market economy. Thus far Russell 20-20 delegations have visited The Czech Republic, Poland, China, Russia, Hungary, and India; this month a 75-member delegation will visit Ukraine, Romania, and Turkey. A brief description of Frank Russell Company and the Russell 20-20 follow, along with some articles describing the Russell 20-20's travels throughout the former *third world*.

We have recently learned that legislation has been introduced to provide Romania with permanent Most Favored National (MFN) status. Although our on-site visit will not take place until later in the month, our research has indicated that Romania has indeed met all of the criteria to be granted permanent MFN status. It appears that both Romania and the United States have mutually benefited from the provisional MFN extension to Romania with exports from both nations increasing, but not at the level of potential for either country. Neither full trade benefits nor the potential investment by western operating companies or institutional investors will be realized until such status is granted.

I am hopeful that the Ways and Means Committee will accord the most serious consideration to granting permanent MFN to Romania to support the commitment of the people of Romania to continue on the road to maintaining peace and stability in the region and to the development of a market economy.

Yours sincerely,



George F. Russell, Jr.  
Chairman

## Russell 20-20 Association

---

**Its Creation** In June 1990 George Russell, chairman of Frank Russell Company, created the Russell 20-20, a non-profit group of 20 major plan sponsors and 20 major money managers. The membership includes:

**General Member Organizations:**

AIG Capital Corporation	General Electric Company
Aldrich, Eastman & Walch, L.P.	General Motors Investment Mgmt. Corp.
Aluminum Company of America	Heitman/JMB Advisory
American Telephone & Telegraph Co.	Hercules Incorporated
The Andrew W. Mellon Foundation	Howard Hughes Medical Institute
Bank of America - Inst. Inv. Svcs.	International Business Machines Corp.
Bankers Trust Company	INVESCO PLC
Batterymarch Financial Management	Lend Lease Corporation Limited
The Boeing Company	Levi Strauss & Co.
BP America	Morgan Grenfell Investment Services, Ltd.
Brinson Partners, Inc.	National Commercial Bank
Canadian National Railway	New York State Common Retirement Fund
Capital Group International, Inc.	NYNEX Corporation
Caterpillar Inc.	The Prudential Insurance Company of America
Chancellor Capital Management	Soros Capital
Clay Finlay Inc.	State Teachers Retirement System of Ohio
Creditanstalt Asset Management.	Trust Company of the West
Dodge & Cox Inc.	Wellington Management Company
E.I. DuPont de Nemours & Co.	Wisconsin Investment Board
Fidelity Investments	The Yasuda Fire & Marine Insurance Co., Ltd.

**Sustaining Member Organizations:**

Alliance Capital Management, L.P.	Delaware Investment Advisers
GTE Corporation	Warner-Lambert Company

**Executive Committee:**

Charles W. Brady, INVESCO	Dean LeBaron, Batterymarch
W. Gordon Binns, Inv. Mgmt. Adv.	W. Allen Reed, GM
Stephen R. Braswell, Prudential	George F. Russell, <b>Chairman</b>
David P. Feldman, AT&T	Walter P. Stern, Capital Group
Joe Grills, Inv. Mgmt. Adv.	

**The Mission Statement**

The Mission of the Russell 20-20 Association is to organize and take advantage of this unique group's collective resources in search of prudent investment opportunities in Eastern Europe, the former Soviet Union, China and India.

- The group studies and stays informed on the political, social, and economic aspects of these markets emerging from command economies.
- The interaction of a permanent group of major players will itself generate a significant number of investment opportunities in emerging markets over the years ahead.
- It is not the role of Frank Russell Company or the Russell 20-20 Association to make investment decisions. It is their role to identify investment opportunities, but any investment decisions will be made by individual members.
- ERISA is our guideline. We are not seeking investments to serve special needs, whether they be social or environmental. We are seeking investments that meet members' risk/return criteria.

## Frank Russell Company Backgrounder

---

Frank Russell Company is one of the world's leading asset strategy consultants. Founded in 1936, the company has evolved into a multifaceted financial services organization with worldwide influence in the field of institutional investing.

### **Consulting**

Russell is the largest consultant to pension funds in the world, representing more than \$600 billion globally. The company represents such blue-chip clients as AT&T and J.C. Penney. In 1969, Chairman George Russell was a pioneer in the field of strategic pension investment consulting, which a recent industry survey called one of the most significant events in the field of institutional investing.

### **Data Services (Russell Indexes)**

Russell Data Services, founded in 1972, provides analytics, indexes and universes to pension plan sponsors and money management organizations to help them verify and evaluate investment performance.

The data division manages the Russell stock indexes. A recent Value Line study concluded that the Russell 3000 Index is "the best measurable barometer of the U.S. stock market today." The Russell 2000, the most widely used barometer of the small-cap market, consists of the 2,000 smallest stocks in the Russell 3000. The Russell 1000, a large-cap index, tracks the 1,000 largest stocks in the Russell 3000. Russell indexes serve as performance standards against which money managers and mutual funds can be evaluated. More than \$88.5 billion is invested in index funds that use the Russell indexes as their model. The Russell indexes are also used to determine short- and long-term investment trends.

### **International Initiatives**

Headquartered in Tacoma, Washington, Russell operates offices in London, New York, Paris, Sydney, Tokyo, Toronto, Zurich and Auckland. Russell, an early advocate of international investing, established its first international office in London in 1979. Russell's clients represent nearly one-third of all U.S. private pension assets invested offshore.

Russell 20-20, a group of major pension plan sponsors and money managers, is leading the search for prudent investment opportunities in the emerging markets of Eastern Europe, the former Soviet Union, China and India. As a direct result of George Russell's leadership, U.S. pension funds made their first investment in Poland in early 1993. Russell 20-20 members represent more than \$1 trillion in investable capital.

### **Investment Management**

In 1980, Russell entered the field of investment management with a unique "multistyle, multimanager" investment process that uses a combination of more than 65 select money managers. This "manager of managers" approach extends the depth of Russell expertise to a broader spectrum of long-term investors, including smaller companies (through defined contribution plans) and individuals.

Today, more than \$24 billion is invested in mutual and trust funds, available through a national distribution network. Together with offshore and domestic ventures with other financial institutions, Russell's investment management business totals about \$46 billion.

### **Securities**

Russell's securities arm handles trading in 36 countries. As a member of the New York Stock Exchange, Russell executes securities transactions that equal nearly 1 percent of the NYSE volume – more than \$18 billion per year.

**For more information: Call our Media Hotline: 206-594-1858**

Russell Index Data: 206-594-1734

Russell Homepage: <http://www.russell.com>



DAVID FUNDERBURK  
2D DISTRICT, NORTH CAROLINA

COMMITTEE ON ECONOMIC &  
EDUCATIONAL OPPORTUNITIES

COMMITTEE ON  
INTERNATIONAL RELATIONS

COMMITTEE ON SMALL BUSINESS  
(VICE CHAIRMAN, SUBCOMMITTEE ON GOVERNMENT  
OPERATIONS)

COMMISSION ON SECURITY AND  
COOPERATION IN EUROPE

**Congress of the United States**  
**House of Representatives**  
Washington, DC 20515-3302

427 CANNON BUILDING  
WASHINGTON, DC 20515  
(202) 225-4531

DISTRICT OFFICES:  
1207 W. CUMBERLAND STREET  
DUNN, NC 28534  
(910) 891-1114

1911 HILLDALE ROAD  
SUITE 1230  
DURHAM, NC 27705  
(919) 383-0503

May 1, 1996

The Honorable Phil Crane  
Chairman  
Trade Subcommittee-Ways & Means  
1104 Longworth HOB  
Washington, DC 20515

Dear Congressman Crane:

I am aware that the Romanian Government is lobbying for Permanent MFN Trade Status to be brought up in your committee this week. I have talked with the Romanian Ambassador to the US and expressed my concerns and reservations about this proposal. The new Ambassador is an impressive spokesman who accentuates the positive actions of the Bucharest government. While Bucharest has made some progress, I suggested that if Romania receives permanent MFN Trade Status at this time, the US would have no leverage in continuing to work for a better human rights situation in Romania, and also for increased privatization, complete press freedom (newsprint) private property restoration, and other problems of democratization.

I am enclosing some current complaints from Romanian citizens and information that I receive monthly about the remaining and ongoing problems in Romania. It will give you a realistic view of what has been coming across my desk since 1989 because of my previous posting as US Ambassador in Romania. As one who recently received an honorary Doctor's degree from the University of Bucharest for work for democratization and human rights in Romania, I have to be a strong voice for democratization and privatization there.

My feeling is that we need some way to address these continuing problems of Romania. Yearly review of MFN Treaty Status from Romania currently allows concerns to be voiced and monitored. However, at this time I am in favor of postponing the MFN vote until after the September 29th presidential elections in Romania. If Romania gets permanent MFN now, it would help keep President Ion Iliescu in power and further boost his candidacy.

In my opinion, Romania should not get permanent MFN status and the discussion should be postponed until after the presidential elections concurrent upon improvements in the following areas:

1. Rate of Privatization: among the slowest in Eastern Europe
2. Private property restoration should be implemented
3. Greater media & press freedom (television is dominated by the government in the countryside and newsprint is not adequately available for opposition/independent newspapers)
4. Human rights situation should be improved and Secret Police concerns need to be addressed

Thank you for your attention to this matter. I will be happy to testify before your committee. I look forward to hearing from you.

Sincerely,



David Funderburk  
Member of Congress  
Former US Ambassador to Romania 1981-85

CHRISTOPHER H. SMITH, NEW JERSEY, CHAIRMAN  
ALFONSE D'AMATO, NEW YORK, CO-CHAIRMAN

JOHN GARDNER PORTER, ALABAMA	DEB DEWITT, COLORADO
FRANK R. WOLF, VIRGINIA	DIANE BURTON, INDIANA
DAVID FISHER, NORTH CAROLINA	PAUL BENTON, MISSISSIPPI
MIKE CAHILL, ARIZONA	BOB CROWLEY, MISSOURI
STEVE H. RYAN, MARYLAND	FRANK LUTTENBERG, NEW JERSEY
ROBERT A. MENENDEZ, NEW JERSEY	HARRY REID, NEVADA
BILL ROYCE, OHIO	BOB BISHOP, FLORIDA
JEFF BLAKE, MARYLAND	RUSSELL B. SWANSON, WISCONSIN

EXECUTIVE STAFF  
JOHN EASTRICK, DEPARTMENT OF STATE  
MORTON GARDNER, DEPARTMENT OF DEFENSE  
DORIS WESSBERG, DEPARTMENT OF COMMERCE

BENJAMIN G. TAFT, CHIEF OF STAFF  
MICHAEL R. HATHAWAY, DEPUTY CHIEF OF STAFF

COMMISSION ON  
SECURITY AND COOPERATION IN EUROPE

234 FORD HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515

(202) 225-1901

FAX: (202) 226-4199

E-MAIL: CSCE@HR.HOUSE.GOV

March 14, 1996

The Honorable Ion Iliescu  
President of the Republic of Romania  
Bucharest, Romania

Dear President Iliescu:

The Commission on Security and Cooperation in Europe has received reports that a new regulation passed on January 16, 1996, will consolidate all religious broadcasts onto one radio frequency. We are concerned about the effect this new regulation may have on the freedom of religion and free press in Romania.

We are concerned that by consolidating all religious programming to one frequency, the government is limiting the forum that can be used by religious groups. The freedom of religion and the freedom of religious expression are expressly outlined within the Helsinki Final Act as well as the Vienna Concluding Document. Segregating radio broadcasts based on their content sets an alarming precedent for dividing out all forms of speech, whether civil or political, and does not foster open dialogue which is the hallmark of a democratic society. In this case, it is particularly alarming as the groups most affected are minority religious organizations. The main objective of insuring free speech is to protect minority groups from being effectively silenced and marginalized.

In addition, there is widespread concern that religious groups are being forced to broadcast on a significantly weaker signal without the option of increasing the signal's broadcast range. We have heard reports that churches, such as the Baptists and the Seventh Day Adventists, that were previously broadcasting on their own stronger signal, have had their broadcast licenses suspended. In the case of Vocea Sperantei, the station of World Adventist Radio, the government is renegeing on a license that is valid until 1999.

We urge you to reconsider this regulation in light of its potential restriction of the freedoms of religion and press in Romania as well as the negative precedent it sets in stifling particular forms of expression. We look forward to hearing from you on this matter.

Sincerely,

*Alfonse D'Amato*

Alfonse D'Amato, U.S.S.  
Co-Chairman

*Frank Wolf*

Frank Wolf, M.C.  
Commissioner

*Christopher H. Smith*

Christopher H. Smith, M.C.  
Chairman

JESSE HELMS, NORTH CAROLINA, CHAIRMAN

RICHARD G. LUGAR, INDIANA	ELABERINE PELL, RHODE ISLAND
NANCY L. EASTBAMUM, KANSAS	JOSEPH R. BIDEN, JR., DELAWARE
MARK BROOKS, COLORADO	PAUL S. SARIBANEI, MARYLAND
PAUL COVERDELL, GEORGIA	CHRISTOPHER J. DODD, CONNECTICUT
OLYMPIA J. SNOWE, MAINE	JOHN F. KERRY, MASSACHUSETTS
PIED THOMPSON, TENNESSEE	CHARLES E. SCHUM, VIRGINIA
CRANE TUCKER, WYOMING	RUSSELL D. FEINOLD, WISCONSIN
ROD GRAMS, MINNESOTA	DIANNE FEINSTEIN, CALIFORNIA
JOHN ADVICHOTY, MISSOURI	

JAMES W. MANCK, STAFF DIRECTOR  
EDWIN E. HALL, MINORITY CHIEF COUNSEL & STAFF DIRECTOR

## United States Senate

COMMITTEE ON FOREIGN RELATIONS

WASHINGTON, DC 20510-6225

February 22, 1996

His Excellency Ion Gorita  
Charge d' Affaires ad interim

Dear Mr. Charge d' Affaires:

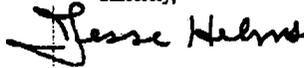
I would appreciate any information you can provide regarding an issue that has been brought to my attention.

It is my understanding that Doina Boghean, a Romanian journalist, was sentenced by a Suceava Court for the offense of slander in accordance with the newly amended Article 206 of the Romanian Penal Code.

As you know, I place a high priority on protection of the freedom of the press and civil liberties. On the surface this case seems to fail in both accounts. I would appreciate receiving from your government any information on this case and an explanation of the circumstances surrounding it.

Thank you for your assistance in this matter.

Sincerely,



JESSE HELMS

JH:lcb

STROM THURMOND  
SOUTH CAROLINA

PRESIDENT PRO TEMPORE  
UNITED STATES SENATE

COMMITTEES  
ARMED SERVICES, CHAIRMAN  
JUDICIARY  
VETERANS' AFFAIRS

United States Senate

WASHINGTON, DC 20510-6001

March 14, 1996

His Excellency Mircea Geoana  
Embassy of Romania  
1607 23rd Street, NW  
Washington, DC 20008

Dear Mr. Ambassador:

It has come to my attention that the National Commission of Audiovisual (CNA) for Romania has recently shut down two Voice of the Gospel radio frequencies, one in Cluj-Napoca and one in Bucharest.

Many of my constituents in South Carolina have invested numerous dollars and vast amounts of time helping Romanian Christians since the revolution of December 1989. South Carolinians have contributed money to the establishment of Christian radio stations, collected and shipped medical and relief supplies, built church buildings, and provided thousands of dollars to purchase cars for the people.

Further, the capital of South Carolina, Columbia, has a sister-city relationship with Cluj-Napoca. Providence Hospital, located in Columbia, has trained more than 60 doctors and nurses in heart surgery, angioplasty procedures, and preventive medicine.

South Carolinians have a vested interest in Romania and her people. Accordingly, they are very concerned that this most recent action by the CNA infringes upon the Romanian people's freedom of religion.

I request that you do all that you can to change this action by the CNA and ensure that Voice of the Gospel is allowed to broadcast its message on its original frequencies.

With kindest regards and best wishes,

Sincerely,

*Strom Thurmond*

Strom Thurmond

ST/lq

COMMISSION ON  
SECURITY AND COOPERATION IN EUROPE

237 FORD HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515

(202) 225-1901

September 21, 1995

**NO MFN RENEWAL FOR ROMANIA UNTIL FREEDOM OF THE  
PRESS, FREEDOM OF SPEECH, & THE RESTORATION  
OF PROPERTY RIGHTS**

DEAR COLLEAGUE:

The President of Romania, Ion Iliescu, is visiting Capitol Hill next Tuesday, September 26th to urge Congress to continue Most-Favored-Nation status for Romania. This is a key moment to act for those interested in Romania's transition to democracy and for those who care about the future of the Romanian people.

As a former Ambassador to Romania, Congressman David Funderburk observed the activities of current Romanian leaders when they were part of Nicolae Ceausescu's brutal Communist regime. Today many of the old practices are reflected in the absence of genuinely free elections, free press, free public demonstrations and assembly, private property rights, privatization, and the continued secret police surveillance of private citizens. One recent example of continuing intransigence was the government's refusal to allow "humanitarian" seed corn (requested by our colleague Mark Souder) to be unloaded at Romania's seaport of Constanta for delivery to Christians in the country.

**Romania's MFN status should not be renewed unless it establishes:**

- 1) Freedom of the Press: the Iliescu regime must stop restricting availability of newsprint and hampering the distribution of opposition newspapers;
- 2) Freedom of Speech and Public Assembly: the Romanian secret police (the SRI) continues to monitor the telephone conversation and private correspondence of Romanian citizens;
- 3) The Right to Private Property: it must restore confiscated-nationalized private properties or fairly and justly compensate the owners; it must also encourage and promote more rapid privatization;
- 4) Self-Determination: it must ensure free and fair elections with adequate international monitors in 1996, without "special lists" of random names; it must stop the communist style "agit-prop" campaigns of intimidation against Romanians who oppose the reelection of former communist officials;
- 5) Human Rights: it must stop inciting inter-ethnic friction in Romania, and instead defend the rights of persecuted "Romanians" in the Republic of Moldova.

It's time to look out for the interests of the people of Romania as well as those of the United States. MFN for Romania should not be continued until Bucharest makes these changes.

Sincerely,



CHRIS SMITH  
Chairman, CSCE  
Chairman  
IR Subcommittee on International  
Operations and Human Rights



DAVID FUNDERBURK  
Commissioner, CSCE  
Member  
IR Subcommittee on International  
Operations and Human Rights

COMMISSION ON  
SECURITY AND COOPERATION IN EUROPE

234 FORD HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515

(202) 225-1901

October 27, 1995

His Excellency Ion Iliescu  
President of Romania  
Bucharest, Romania

Dear Mr. President:

We are writing to continue the Commission's dialogue on the many important issues we discussed during your recent visit to Washington, and to respond to your invitation to provide specific examples of the concerns we raised in the meeting.

As we indicated at the beginning of our meeting, the Commission and many Members of Congress have serious concerns regarding what appear to be emerging negative trends in Romanian politics and society. Attacks on the media, increasingly frequent and virulent nationalist and anti-Semitic rhetoric by leaders of your governing coalition, governmental restrictions on minority language education, and the passage of legislation to prohibit the restitution of nationalized property heighten concern about the course and tenor of events in Romania.

Criminal prosecution of the media for "offense against the authorities" severely inhibits free expression and open public debate. Under the current penal code, Nicolae Andrei was detained for five days last year for his writings concerning your presidency, and criminal charges against him are pending. More recently, as you know, criminal charges for similar writings have been filed against Sorin Rosca-Stanescu, the managing director of ZIUA, and the daily's investigative reporter, Tana Ardeleanu. They face prison terms if convicted. Equally disturbing are amendments to the penal code, currently under consideration by the Parliament, which would impose more severe penalties for "insults, calumnies or threats" committed against a public servant if published in the press or electronic media.

In earlier correspondence, you have defended these statutes as modeled on similar West European laws, specifically those of Italy, Denmark and the Netherlands. While it is true that these countries' codes provide criminal liability for offenses such as "intentional insult of the King" (The Netherlands) or "vilification of the republic" (Italy), it is our understanding that virtually no prosecutions under these statutes have been undertaken against the media. More importantly, the countries you have cited hail from a strong tradition of free speech and democratic institutions. We continue to be concerned that laws providing not merely for civil redress for such activities, but for criminal penalties, have the potential to be abused for political purposes. In our view, vigorous and repeated prosecution of journalists under such provisions would contravene commitments to freedom of expression contained in the Helsinki Final Act, the Treaty of Paris, and the Copenhagen Document.

We continue to be concerned about the status of ethnic minorities in Romania. The minority language provisions of the new law on education have, as you know, come under criticism not only by representatives of the Hungarian and German minority communities in Romania, but also by the Council of Europe. As we understand the requirements of the new law, access to both vocational and university education in minority languages is restricted, and all admission and graduation examinations will now be given solely in Romanian. We have been advised that these new provisions which limit minority language education are contrary to long-standing practice and earlier law. We have also been advised that Hungarian Reformed churches in Valea lui Mihaj and Marghita have been prohibited from setting up kindergartens and church related schools due to the new, more restrictive legislation.

We share the concerns of OSCE High Commissioner for National Minorities, Max Van der Stoep, regarding the actual provisions of the education law and its implementation. We would strongly urge you to consider seriously certain revisions of the law which would adequately address legitimate issues which have been raised, particularly regarding expansion of mother tongue instruction at both the vocational and university levels. In addition, given the breadth of interpretation permitted under the law, we agree with the High Commissioner that implementation of this legislation should be carefully reviewed on a regular basis to ensure compliance with international standards. The Commission will continue to carefully monitor the provision of minority language education in Romania.

It has been observed that societies are judged by how they treat the most vulnerable among them. Among the most vulnerable in many societies in Europe are the Roma. With this in mind we were most disturbed to read the May 1995 report on Romania issued by Amnesty International which concludes the following:

"The 1990s have seen a rise of ethnic intolerance across Romania, with a particular impact on the Roma. A long history of racial prejudice and neglect for the needs of this community is evident not only in Romania, but throughout the region. Amnesty International has documented cases of imprisonment, beatings and other ill-treatment as well as failure of law enforcement officers to protect Roma from racist violence in Romania."

The Amnesty report details specific cases of murder, beatings and harassment of Roma since 1990. In most of these cases, investigations remain "pending" or were not even initiated. In some instances, the Roma victims were attacked by law enforcement officers themselves. As the report states, complicity by police officers indicates official endorsement of racism and not only leads to human rights violations, but leaves those most vulnerable to racist attacks without adequate protection. For ease of reference, we have enclosed an excerpt from the Amnesty Report which details specific cases of abuse. Please inform us of the steps your government is taking to

ensure thorough investigation of these incidents and prosecution of those responsible for the crimes, including law enforcement officers.

As was indicated in earlier correspondence and during the meeting, the Commission continues to have strong apprehension about the apparent resurgence of fascist and anti-Semitic views in Romanian politics and public life. While we note that you have personally spoken out against the Iron Guard movement, the rehabilitation of Marshal Ion Antonescu and anti-Semitism in general, actions by members of your governing coalition appear to contradict directly some of your statements. For example, Georgehe Funar, leader of the PUNR, recently announced that "in accordance with the demands of the overwhelming majority of the Romanian people," he would initiate the official rehabilitation of Marshal Antonescu. Such actions, as well as the frequent, vitriolic, anti-Semitic diatribes of PRM chairman, Corneliu Vadim Tudor, undermine your personal efforts, and do not inspire confidence on the part of the international community that Romania intends to honor its human rights commitments. In this regard, we have followed with interest recent press reports of your Administration's public debate with Mr. Tudor, and understand that the PDSR has now severed all political ties with the PRM.

The Commission also has serious concerns regarding the bill affecting nationalized houses which is currently before the Parliament, as well as recent Romanian Supreme Court actions annulling final orders of property restitution. As we understand the legislation, recently amended by the Chamber of Deputies, owners of property which was confiscated by the former communist regime are without recourse to regain possession and title of that which was illegally confiscated. We are advised that the amended version does provide that owners, even those not resident, can apply for a "proportional share" of their confiscated property, but that the value of the restitution is minimal.

In addition, we understand that many property owners, including some American citizens, have, through processes provided by current law, obtained final court decisions returning their property and have transferred those properties to their names. However, we are disturbed to learn that the Supreme Court of Romania is now arbitrarily annulling some of these decisions, thus, effectively reconfiscating these properties. We have been advised that Article 24 of the legislation now before the Senate retroactively certifies these annulments. The Commission is concerned about the impact of this legislation on the rights of Romanian and American citizens who have legitimate property claims in Romania, as well as its impact on your government's efforts to establish a credible private property regime. The ability to own, and be secure in the ownership of private property, is a foundation of democracy and economic freedom. We urge you to carefully review the legislation now pending before the Parliament to ensure adequate protection of private property rights.

Finally, as Romania prepares for both national and local elections next year, there are a number of issues regarding the conduct of the elections which are of concern to the Commission. We are apprehensive about the fact that Romania has no permanent national election bureau to oversee and validate the election process, but rather a temporary commission assembled prior to each election. A permanent central election authority would enhance public confidence in the electoral process by serving as an independent agent to oversee and validate the local, regional and national election procedures. Such a body would be experienced and capable of providing technical expertise and analysis of methods for improving election procedures, could train election officials, and would preserve an institutional memory of the evolution of the democratic electoral process in Romania.

Limitation of domestic election monitors also causes great concern. Unrestricted access to polling places for both domestic and international observers, as provided in the 1992 local elections, would go a long way, in our view, toward lending credibility and transparency to the election process. While we welcome the opportunity for international observers to participate, it is even more important for local citizens to serve as monitors in order to increase their participation in the democratic process, and enhance their confidence in the outcome of the election.

We urge you to submit to the Parliament legislation which would offer voters confidence in the electoral process through standardized procedures and which would also serve to enhance both international and domestic confidence in the electoral process in Romania.

We were pleased to have had the opportunity to meet with you during your visit and have the opportunity for a frank and open discussion of the Commission's concerns. Romania is a country of great possibility, and we look forward to Romania assuming its place in the community of free and democratic nations. We look forward with interest to your response.

Sincerely,

ALFONSE D'AMATO, U.S.S.  
Co-chairman

CHRISTOPHER H. SMITH, M.C.  
Chairman

STENY H. HOYER, M.C.  
Ranking Member

Enclosure

TO: HONORABLE DAVID FUNDERBURK.  
From: C. ALEXANDER

Romanian parliament rules on nationalised houses

By Karin Popescu

BUCHAREST, June 29 (Reuter) - Romania's parliament has ruled out a full restitution of houses seized by the former ruling communists--a divisive issue for 1.5 million Romanians, with present-day tenants winning over onetime owners.

Parliament voted 289 to 153 late on Wednesday to pass a bill sponsored by the ruling Party of Social Democracy (PDSR), which pitted the opposition against the left-led coalition for more than a year.

The PDSR and its nationalist and neo-communist allies took the tenants' side, while the opposition sought to have houses seized by the ousted communists returned to their owners.

The law allows present-day tenants to buy the houses nationalised by the communists over the past 50 years -- with some compensation to former owners.

The opposition has denounced the bill as unconstitutional, saying it strips owners of their property rights. Official estimates show that more than 200,000 buildings nationwide, from splendid palaces to large apartments are at stake.

Under the law, which has yet to be promulgated by President Ion Iliescu, owners can get up to 48 million lei (\$24,000) in damages for their lost property. At current market prices, this can buy a one-bedroom apartment in a good location.

"This law not only sanctions the communist seizure of property but also redistributes it in favour of a category of privileged people," said Rasvan Dobrescu, a parliamentarian for the opposition National Peasant Party.

Labour Minister Dan Mircea Popescu has hailed the adoption of the bill as "a great victory of the ruling coalition."

The opposition plans to take the law to the Constitutional Court for checks, saying it does not comply with a post-communist constitution which recognises the right to property.

Thousands of Romanians were thrown out of their houses, many overnight, to make room for communist leaders who seized power in Romania after World War Two, and who moved in instead.

"Parliament gave the green light to the old (communist) and the new elite to buy (nationalised) villas," said a front-page headline in the daily newspaper Adevarul on Thursday.

The new law provides facilities for tenants, who can get state credits at half the market rates to buy the houses in instalments over the next 15 to 30 years.

REUTER

1233 290695 GMT

## **Romania Shuts the Door On Its Justice System**

In a recent development, the "freely" elected Romanian Parliament had passed a law that deals with the owners of real estate properties abusively confiscated by the dictatorial Communist regime which was supposedly overturned in December 1989. The rightful owners were stripped of their possessions as a part of the larger Communist doctrine which advocates that people should not own land, houses, and things that are not of a strict personal nature.

The law provides the owners with inequitable retribution for their properties. The Romanian Constitution, the Civil Code, and a number of other laws state very clearly that the ownership right must not be replaced by any monetary amount without the express accord of the persons involved in the transaction. The Parliament ignored these fundamental laws and went even further by trying to make the rightful owners to accept ridiculously small amounts of money for these properties. And like this was not enough, the Romanian legal Courts are now **denying** the civil actions brought by people that want to recover their physical properties. The judges that schedule trial dates were ordered by the government **not** to forward these civil actions to the legal Courts so they could be tried. Not even the recently passed law that deals with this problem is not as harsh on the rightful owners. The law clearly allows for legal action in Romanian Civil Courts.

For citizens of more democratic countries it is unbelievable that a government can confiscate properties and sell them to their supporters while it begs industrialized countries for money to deal with the "difficult economic situation." Conveniently, they forget to mention this situation is entirely by their own making.

I am writing this letter hoping to somehow put a stop to the incredible human rights abuses going on in today's Romania and its disastrous economic policy. I ask all the bankers and officials to do more research on the matter before they hand out any more money to Romania.

Veronica Barbat (Romanian lawyer - 27 years of experience)



STATE OF NEW YORK  
EXECUTIVE CHAMBER  
TWO WORLD TRADE CENTER  
NEW YORK, NY 10047

GEORGE E. FATAKI  
GOVERNOR

September 22, 1995

The Honorable William Jefferson Clinton  
The White House  
Washington, DC 20500

Dear Mr. President,

I have been informed that in a few days you will receive Romanian President Ion Iliescu in the White House. A number of Romania's policies give me great concern, which I would like to raise at this time.

As an American, I am appalled by the Romanian government's treatment of its minorities, particularly the close to 2.5 million Hungarians, one of the largest ethnic minorities in Europe. The Romanian government continues to restrict the educational opportunities for this group, interferes with the use of their own language, discriminates against their churches in returning property confiscated by the communists and generally treats them as second-rate citizens, wards, or worse yet, as the virtual property of the majority. The State Department and your National Security Council are well informed of these practices, criticized by various human rights groups, the Congressional Helsinki Commission, and the 1.8 million Hungarian-Americans for whom this is an important issue.

If there is one thing we have to learn from the Bosnian tragedy, it is that we have to act, and act powerfully, against ethnic, religious or racial intolerance, or hatred before it reaches its most extreme, murderous form. While the demise of the previous Romanian regime gave the Hungarian minority a chance to form their own political organizations, led by responsible, moderate, elected leaders, the voting power of an intolerant majority has limited their ability to protect human rights in the legislature.

Mr. President, it is my sincere hope that you will raise these issues with President Iliescu and I respectfully request that your staff keep me advised of any developments.

Sincerely,

George E. Pataki  
GOVERNOR

GEP:ay



**GE International  
Law & Policy**

**R. Michael Gadbow**  
Vice President and Senior Counsel

General Electric Company  
1299 Pennsylvania Ave., N.W. 1100 W  
Washington DC 20004  
202 637 4268 Dial Comm: 8\*272-4268  
F: 202 637 4299, 8\*272-4299

April 29, 1996

Congressman Philip M. Crane  
Chairman, Subcommittee on Trade  
1102 Longworth House Office Building  
Washington, D.C. 20515

Attention: Phillip D. Moseley

Dear Congressman Crane:

This letter constitutes the response of General Electric Company to your request for comments on the extension of unconditional most-favored-nation (MFN) treatment to Romania.

General Electric strongly supports granting permanent, unconditional MFN status to Romania. GE and Romania have a long history of mutually advantageous commercial relationships. Romania is an important market for many GE products, including aircraft engines, power generation equipment, lighting products, appliances, medical diagnostic equipment, and plastics. We believe that Romania will be an even more significant market for GE and other U.S. companies in the future.

The process of economic and political reform in Romania is well established and irreversible. Privatization is proceeding rapidly, with almost 50% of the economy now in private hands. Romania is committed to full integration with the Western economy, as evidenced by its firm resolution to join the European Union. Romania was the first nation to join the Partnership for Peace and is committed to achieving full membership in NATO.

The granting of unconditional MFN status to Romania is an important symbolic recognition of the progress Romania has made, but it also has real practical significance. Without full MFN status, Romania and the United States cannot maintain a fully realized relationship within the World Trade Organization. Moreover, the absence of unconditional MFN would give rise to difficult issues and unavoidable trade friction between the United States and the European Union at the time that Romania is granted membership in the EU.

Romania's emergence into a free, market-oriented economy came at a very high price to its people who, alone among the newly democratic states of Central Europe, required armed struggle to topple their autocratic rulers. It is time that the United States recognized this struggle and the significant progress Romania has made toward full integration into the Western economic and political community by granting unconditional MFN status.

Sincerely yours,

R. Michael Gadbow

David Garst  
 320 Fourth Avenue, Coon Rapids, IA 50058  
 Res: 712-684-5223 Off: 712-684-2931 Fax: 712-684-2993

April 19, 1996

Phillip D. Moseley, Chief of Staff  
 Committee on Ways and Means  
 U. S. House of Representatives  
 1102 Longworth House Office Bldg.  
 Washington, DC 20515

Dear Congressman:

I'm writing to urge Congress to support HR-3161, which grants permanent Most Favored Nation status to Romania and its people.

Romania's people have worked hard to make their democracy and market economy successful. In addition, they have a better record on human rights when compared to surrounding countries such as Serbia, Bulgaria, Hungary and Moldova.

Romania also has avoided the resurgence of the Communist party, which has come about in Bulgaria, Hungary, Poland and now Russia.

Perhaps this is because the Communist grip on Romania was more oppressive...and Romania, among all of the Newly Emerging Democracies, had the most difficulty with a bloody revolution.

There is no question that Romania should have been the first country, instead of the last country, to get MFN status!

Yet, the U.S. government has consistently discriminated against Romania and its people in favor of much less worthy countries, namely China and less worthy Eastern European neighbors. This should make the U.S. Congress ashamed of its past actions.

I say this because Romania not only has performed well as a democracy and with its protection of human rights, etc...it has also been one of the United States' most loyal allies.

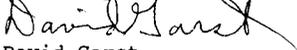
Romania supported the US-UN war and embargo against Iraq; the US-UN embargo against Serbia...and was the first nation to sign NATO's Partners In Freedom Pact suggested by President Clinton.

While these things were going on, Hungary was denying US-UN air space over its territory. This was needed to stop or slow down Serbian aggression and genocide against the Bosnian Moslems. In addition, Hungary signed a treaty with Serbia and traded with them, as did many other countries, with no restraint.

It makes no sense for the U.S. government to punish Romania for its good works...and reward these other countries for their non-cooperation with the U.S., the U.N. and NATO initiatives.

Again, I urge Congress to grant Romania permanent MFN status.

Sincerely Yours,



David Garst  
 DG/sm

## GEORGETTE ORIENTAL RUGS

175 W Weiuca Road N.E., Suite 106

Atlanta, Georgia 30342

Phone: 404-256-9364

Atlanta, April 28, 1996

To: Phillip D. Moseley, Chief of Staff  
Committee on Ways and Means  
U.S. House of Representatives  
1102 Longworth House Office Building  
Washington D.C. 20515

Dear Mr. Moseley,

On behalf of myself and my company, as well as other romanian-american businesswomen, I'm submitting to you this statement and comments on The Extension of Unconditional Most-Favored-Nation Treatment to Romania. We believe that our former country is proving continuously its effort for democracy, human rights and free market economy, and therefore granting Permanent MFN Status to Romania will benefit both Romania and USA.

Romania's transformation from a centrally planned, inefficient state system to a free market has been slow, steady and unheralded. Unlike some of its Central and eastern European neighbors, whose first steps have been followed by a slowing, or in some cases, a reversal of economic liberalization, Romania continues to march steadily ahead toward a free market economy, integrated into the Western economic system.

Romania's quiet inexorable change has not been without cost. Romania experienced negative growth in the early 90's. But beginning in 1993, Romania turned its economy around and has reached a point today where both multilateral economic institutions such as World Bank and the world's private sector companies now routinely invest in Romania's future.

Some key examples of Romania's recent successes are:

-Foreign investment in Romania at the end of 1995 topped 1.6 billion, about 25% more than 1994.

-On June 4, 1995, President Iliescu signed a law launching an accelerated privatization program. Share coupons were given to population allowing them to invest in more than 3,300 companies to be privatized by 1997. Privatization of the economy will accelerate this year, by implementing the new amendments of the Privatization Law ( selling of near 3000 state owned enterprises ).

-The Bucharest stock exchange, which reopened earlier this year after 50 years, will facilitate the implementation and the expansion of the privatization program.

-The agriculture sector has been one of the first sectors to return to private control. As a result of this, for the first time in years, Romania will become a net exporter of wheat. Romania is poised to re-emerge as a major player in the European grain markets and resume its historic role as the bread-basket of the Balkans.

-The foreign trade volume reached \$17 billion with exports accounting for \$7.6 billion, 22% more than in 1994.

-Romania's inflation rate has declined sharply to 25% in 1995, down from 62% in 1994 and 300% in 1993.

Romania is totally committed to democracy, the free market and full economic and political integration with the West. Romania believes that its destiny lies with the West and especially with the US.

In the foreign policy area, Romania has worked side by side with the United States to achieve peace and stability in the region - often at a direct and substantial cost to itself ( participants in IFOR in Bosnia and the first nation to join the Partnership for Peace). Romania is also looking forward to a full NATO membership, and is truly one of

America's staunchest allies in the region. There is absolutely significant political consensus, both at the leadership and common people level.

In the economic area, Romania's transition has been more difficult than that of several of its neighbors, because the past legacy was more deeply engraved and more difficult to overcome. Nevertheless, Romania's march toward the free market has been steady and without reversal. Today 45% of Romania's Gross Domestic Product is provided by its private sector.

Underlying these dramatic reforms are a number of critical actions taken in 1995.

-The Romanian-American Enterprise Fund became operational and the first project was funded.

-The IMF agreed to give Romania a \$400 million disbursement for macroeconomics stabilization.

-The World Bank committed an additional \$280 million for restructuring, privatization and banking reform.

-The World Bank approved \$110 million for power sector rehabilitation

Today, with a population of 23 million, Romania offers to Western investors the second largest market in Central Europe, a growing demand for consumer goods, a wealth of natural resources, a skilled and inexpensive labor force, and untapped tourism opportunities from the Transylvanian Alps to the beaches of the Black Sea.

For the first time a special Committee on American - Romanian relations has been established with the specific task of promoting business and strategic cooperation with American partners.

The democratic movement in Romania is alive and well. There are numerous parties representing the interests of minorities and others. There is a vibrant free press, and there have been no government-sanctioned incidents of human rights abuse or anti-Semitism. We believe that Romania is committed to preserve a tolerant, open society, and we hope that also the 1996 elections will prove this.

Romania needs America's help in order to sustain the wisdom of this course of action. America can help Romania not only with financial assistance, but with the permanent extension of Most Favored Nation Status - which will bring economic and social benefits for both Romanians and Americans, and with inclusion into an expanded NATO on the same basis as that of its neighbors.

Both Romania and the United States have mutually benefited from the provisional MFN extension to Romania. Exports from both nations have increased, but not to the extent needed and justified, at the same time, by the existing economic and political potential.

The full benefit, however, cannot be achieved until permanent MFN is granted. The lack of permanent MFN status at the time when the United States has granted such status to nearly every other Central European country can be disruptive to Romania's trade liberalization and economic reform.

Although both Romania and United States are original World Trade Organization (WTO) Members, Romania being fully committed to uphold and promote its principle of non-discrimination and trade liberalization, the absence of permanent MFN status has led to an unnatural non-application of the WTO's provisions between the two countries.

In conclusion we believe that Romania meets all statutory criteria, including free emigration procedures, to be granted Permanent MFN Status.

As proud and loyal citizens of the United States, remembering the country we came from, and where our families and relatives still live, we ask you to grant Romania's the Permanent MFN Status. This will help us as businessmen to develop our partnership with other companies from Romania.

Sincerely,  
GEORGETTE ORIENTAL RUGS



Georgette Chiritoiu  
President and CEO

ALAN GREEN, JR.  
SUITE 1100  
1001 S. W. FIFTH AVENUE  
PORTLAND, OREGON 97204  
TELEPHONE (503) 294-0484  
FAX (503) 220-1815

April 26, 1996

The Honorable Philip Crane  
U.S. House of Representatives  
233 Cannon Bldg.  
Washington D.C. 20510

RE: H.R. 3161

Dear Mr. Chairman:

I had the honor of being the United States Ambassador to Romania. My wife and I arrived at post December 1, 1989, and we formally returned to Oregon January 31, 1992. As you can readily see, I was privileged to participate and watch a wonderful people return to freedom.

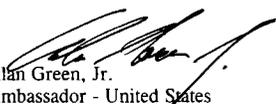
This writer was one of the very last Ambassadors to present his official credentials to the dictator Nicolae Ceausescu. I think it fair to say we did not like one another. On May 25, 1995, my wife and I visited Romania with a Stanford Travel party. Our group met with President Ion Iliescu for approximately two hours. It is difficult for me to put in writing the total contrast between the two individuals. The hospitality, friendship, and good will I witnessed from President Iliescu to our private group was outstanding.

It is my understanding you will be receiving other correspondence advocating the granting of permanent Most Favored Nation status to Romania. Believe me, Sir, my wife, Joan, and I have lived through the start and gradual maturing of these people towards democracy and a free market economy. I am very proud of any small role I had in helping the United States gain a friend in this tough world.

As a retired business man, I would like to point out that our annual trade is growing, and our side has a surplus. It is difficult to do business in this world and the need for permanent M.F.N. status is the guarantee of stability for all parties. This improvement of reliability will work to the benefit of the U.S.A. and Romania.

If there is anything reasonable I can do to help Romania obtain permanent Most Favored Nation status, please let me know. I rely on your good judgement.

Very Sincerely,



Alan Green, Jr.  
Ambassador - United States  
Retired

cc: Senator William Roth  
(s 1644)

**Halliburton / Brown & Root**  
**Office of Government Affairs**

1150 Eighteenth Street, N.W.  
Suite 200  
Washington, D.C. 20036

**George L. Gleason**  
Vice President

Tel: (202) 223-0820  
Fax: (202) 223-2385

May 2, 1996

Mr. Phil Moseley  
Majority Chief of Staff  
US House Ways & Means Committee  
1102 Longworth House Office Building  
Washington, D.C. 20515

Re: Trade Subcommittee **Request for Comments on the Extension of MFN to Romania**

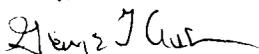
Dear Mr. Moseley:

Halliburton Company encourages the normalization of commercial and trade relations between the United States and Romania. MFN status is part of that normalization.

We believe that positive trade and commercial relations have benefits that accrue to the overall relationship between nations, and Romania is no exception. Our sales of equipment and service to Romania are part of the already significant US exports to Romania of over \$200 million in 1995. That means jobs in Texas and other states where we have manufacturing plants. It means having US companies influence in a developing market that is turning toward a market-based economy and political pluralism.

We endorse the grant of permanent MFN status to Romania.

Sincerely,

  
George L. Gleason

HERZFELD & RUBIN, P.C.

ATTORNEYS AT LAW

40 WALL STREET  
NEW YORK, N. Y. 10005

TELEPHONE: (212) 344-5500  
TELEFAX: (212) 344-3333

April 19, 1996

The Honorable Phillip Crane  
Chairman, Trade Subcommittee  
House Ways and Means Committee  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Representative Crane:

I am writing to express my support for H.R. 3161 which grants permanent Most Favored Nation status to Romania.

Our law firm has an office in Romania. We are aware of and applaud Romania's efforts to embrace democracy and a market economy. Their efforts not only translate into a desire for greater bilateral economic and political relationship with the United States but into more trade and business opportunities for American companies. Granting permanent MFN status to Romania is an important step in developing this bilateral relationship.

I encourage you to vote in favor of moving this legislation from your committee to the Senate floor. If you have any questions regarding Romania and its economic and political environment, please feel free to contact me in my New York office at (212) 344-5500.

Thank you very much for your consideration.

Sincerely,



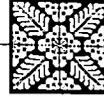
Herbert Rubin

HR:jd

HHRF

HUNGARIAN HUMAN RIGHTS FOUNDATION

Post Office Box J, Gracie Station  
 New York, NY 10028  
 (212) 289-5488  
 (212) 996-6268 (Fax)



May 3, 1996

**Iliescu's 6-Year Human Rights Record Does Not Deserve Reward**  
**Please Delay Unconditional, Permanent MFN for Rumania**

The Honorable Philip M. Crane, Chairman  
 Subcommittee on Trade  
 Committee on Ways and Means  
 U.S. House of Representatives  
 1102 Longworth House Office Building  
 Washington, DC 20515

Dear Mr. Chairman,

The Hungarian Human Rights Foundation (HHRF) believes that instead of unfairly benefiting the presidential candidacy of Ion Iliescu in national elections to be held this Fall, the U.S. should institute a reasonable delay before taking the final step of granting permanent and unconditional Most Favored Nation status to Rumania. Withholding this measure would enable the U.S. to continue monitoring Rumania's progress in fulfilling basic democratic principles, including respect for human rights and minority rights. Within a modest time period, the Rumanian government can realistically be expected to:

1. take meaningful steps to implement the letter and spirit of international instruments protecting human rights and the rights of minorities, including the 1990 Copenhagen Document of the CSCE Conference on the Human Dimension; the Charter of Paris for a New Europe; the Council of Europe's Framework Convention for the Protection of National Minorities; and Recommendation 1201 of the Council of Europe;
2. initiate the legislative procedures to adopt a law on minorities and establish a ministry for nationalities (promised by Iliescu's National Salvation Front in January 1990, but never undertaken);
3. amend the Education Law adopted June 28, 1995 to remove overtly discriminatory provisions which curtail the right of national minorities to education in their native language; and terminate the official obstacles to restoring an independent university for the 2.5 million Hungarians of Rumania;
4. release the unjustly imprisoned Pál Cseresznyés, and remedy the failure to investigate and prosecute known criminal cases;
5. condemn inflammatory anti-Semitic and anti-Hungarian statements by the press, government officials and hate groups;

6. terminate blatant economic discrimination against national minorities, including the pattern of excluding ethnic Hungarians from appointment to privatization posts;
7. commence the process of returning properties confiscated by the communists from ethnic Hungarian denominations (not one of the 1,593 schools and buildings illegally taken from the Catholic, Reformed and Unitarian churches has been returned, while the state has afforded ample restitution to the Rumanian Orthodox Church);
8. reverse the growing tendency to concentrate power in the central government, and allow local democracy to operate freely (in deciding to post bi-lingual signs, for example), without interference from centrally appointed county prefects;
9. reinstate adequate minority-language television programming on Rumanian National Television (reduced to less than one-half its original air time by government order in 1991).

#### **A Purely Political Gesture**

It is important to emphasize that withholding permanent and unconditional MFN would not deprive the people of any economic or trade benefit, *since Rumania already enjoys this preferential trading status*. In fact, the U.S. restored MFN to Rumania in 1993, that status has been automatically renewed each year, and it is in no serious danger of revocation for the foreseeable future. While not improving the lot of ordinary citizens, this highly political gesture would constitute a tremendous windfall for country's ruling elite.

It is understandable that the Iliescu leadership anxiously seeks this reward - as retroactive endorsement of its policies, and in order to consolidate its six-year hold on power. What is less self-evident, given the Iliescu government's deeply flawed performance in the field of human rights, is whether Congress should automatically accede to this request.

#### **Delay Would Remove the U.S. from Unfair Intrusion in a Foreign Election**

U.S. consideration of permanent and unconditional MFN comes at an extremely sensitive time, prior to national elections to be held sometime this Fall in Rumania (the exact date is not yet fixed). Regardless of American intentions, approval of this measure before the election would be interpreted as powerful endorsement for the presidential candidacy of Ion Iliescu. (The candidacy itself is problematic. Despite a limit of two terms set under Rumania's 1992 Constitution, Iliescu is running for the *third* time under the excuse that his 1990-92 term preceded the new Constitution.)

Apart from unfairly benefiting the strong-arm rule of Iliescu, this measure would do unfair political damage to the democratic opposition parties, which are already disadvantaged by the government's tight grip on economic resources (for campaign finances) and the media. The greatest irony is that the windfall benefit of permanent and unconditional MFN could well tip the scales precisely when, for the first time ever, the opposition leads the government in public opinion surveys. (The latest Gallup poll, released March 29, shows the Rumanian Democratic Convention at 26.5 percent, with Iliescu's Rumanian Party of Social Democracy at only 18.8 percent.)

Is the U.S. Congress comfortable with influencing the outcome of Rumania's national elections in this way? Is it confident that it has chosen the right candidate?

The effects of hastily granting this permanent measure and allowing a select few to reap its rewards could also create the kind of backlash witnessed in the other countries of Eastern and Central Europe. It is frightening to imagine the damage which could occur to Rumania's fragile democracy and fledgling market economy at this critical stage if the U.S. does not continue fighting to insure that further necessary democratic reforms are implemented.

#### **Relevance of Human Rights to Trade**

Some members of Congress have expressed reservations about linking "peripheral" issues, such as human rights, to trade matters, preferring instead to emphasize the importance of encouraging the widest, most unfettered commerce in the world market. As relates to present bill, however, we respectfully submit that such concerns are misguided. First, as indicated above, H.R. 3161 would have no economic or trade impact; its effect would be purely political. Second, to free trade "purists" we respectfully recommend a close reading of the Jackson-Vanik Amendment to the Trade Act of 1974. The opening words of section 402 clearly state that its purpose is "To assure the continued dedication of the United States to fundamental human rights." The relevance of human rights, therefore, is not a matter of opinion or preference; it is the letter of the law.

Clearly, Congress inserted this language for a reason, and it presumably meant what it said. As a practical matter, for the past two decades this language has formed a key component of bilateral relations with Rumania, and it has been the focus of extensive activity by concerned Members of Congress, non-governmental organizations, thousands of ordinary U.S. citizens and successive U.S. Administrations alike.

#### **Iliescu's 6-Year Human Rights Record Does Not Deserve Reward**

HHRF believes that to grant Rumania permanent and unconditional MFN would be unwise not just as a matter of poor timing, but would also be wrong on the merits. Despite blanket, rhetorical claims to the contrary, the facts simply do not bear out the conclusion that the Iliescu government has made "significant progress" in instituting the kind of democratic reforms achieved in the surrounding countries. Too many questions have remained unanswered over too much time; too many new instances of backsliding surface all too often; too many complaints over human rights abuses persistently emerge.

A consistent pattern to emerge from close, objective analysis of the Iliescu leadership's six year human rights record is that, contrary to its neighbors, the recognizable gains in free expression, freedom of worship, democratic pluralism and other civil liberties have been achieved *despite* the government's intentions, rather than because of them. The following are only a few, by no means comprehensive illustrations:

#### **Freedom of Press Still Questionable**

The Iliescu government regularly manipulates the press by placing restrictions on the availability of newsprint and inhibiting the distribution of newspapers deemed as belonging to the opposition. The government still appoints the members of the TV Union rather than allowing them to be freely elected. Instead of granting greater freedom and tolerance to the state dominated TV, it has banned programs such as a BBC news program (September 6, 1995). Investigative reporters can still face trial on charges of "offense against authorities."

### ***Corruption in Business and Banking Unchecked***

In March 1996 alone, two foreign banks (Chemical Banking Corporation of New York and ABN-Amro of the Netherlands) were stripped of their licenses to trade currencies in an effort to artificially prop up the Rumanian currency. The central bank closed foreign exchange bureaus in hotels, forcing guests to go to the streets to change money with taxi drivers. The heavy handed bureaucracy and bribery requirements, and the lack of sanctity of contract reinforces an environment dubious for investors. The IMF in 1996 delayed loans because certain targets were not met.

### ***Police Brutality Continues***

Newspapers recently reported the case of a 32 year-old ethnic Hungarian, István Kiss, from Satu Mare who is believed to have died from wounds inflicted while in police custody. Eyewitnesses reported seeing two policemen take him away from his home on January 23 to the police station, to deliver him back to his home later that day half beaten to death. In fact, Kiss died in the Baia Mare hospital from skull trauma caused by blows from a solid object. He was buried on February 8. To date, police investigations have produced no explanation. (Romániai Magyar Szó [Rumanian Hungarian Word], February 9, 17 and 29, 1996)

### ***Rule of Law Violations; Continued Unjust Imprisonment of Pál Cseresznyés***

Since 1990 Rumanian courts have unjustly sentenced 54 ethnic Hungarians and Roma to a total of 187 years in prison, of which fully 100 were actually served behind bars. None of the released prisoners were afforded legal remedy for their false prosecution and incarceration. The ethnic Hungarian Mr. Pál Cseresznyés remains in jail, serving the sixth of his ten year sentence, under circumstances where he has been frequently beaten and occasionally denied food. A member of the Rumanian Parliament who visited the prison reported that Mr. Cseresznyés looks much older than his 43 years, has a severe eye disease, and has lost most of his top row of teeth. He receives no work, and pleaded with his visitor, "*take me home as soon as possible, because I won't last much longer.*"

### ***Government Colludes with Extremist Parties***

On January 20, 1995, the Iliescu government formally approved a coalition agreement - *de facto* operational since October 1992 - with two far-right, neo-fascist and one neo-Communist party. Instead of spearheading efforts to combat intolerance, aggressive nationalism and xenophobia, the Iliescu government chose to embrace the likes of Corneliu Vadim Tudor (head of one of the extreme right parties), well-known court poet to the former dictator Ceausescu, editor-in-chief of the extremist, anti-Semitic publication *Romania Mare*, and the man who is on record as having said, "*Bullets suit Gypsies best. A bullet costs only 7 lei.*"

By continuing the coalition with the other far-right party, the Iliescu leadership also chooses to endorse the illegal measures and nationalist provocations of its president, the Mayor of Cluj, Gheorghe Funar, who among others pledged not to rest until he is successful in erecting a statue to the Rumania's fascist leader during World War II, Marshall Ion Antonescu. (Three such statues already stand in Rumania.)

Although two of the three extremist parties have "departed" the government, it is important to understand it was Iliescu's party which willfully accepted them, and their legacy continues in the form of numerous discriminatory laws and decrees they were able to have enacted while in Parliament.

***Appointments to Key Privatization Posts Discriminate against National Minorities***

Government statistics released in May 1994 reveal a pattern of anti-minority discrimination in the appointment of officials responsible for privatizing the country's economy. The worst instance occurs in Mures County, where 43 percent of the population is ethnic Hungarian, but only 3 percent of the officials appointed to privatize local industry are Hungarian. In the two majority Hungarian-inhabited counties (Harghita 85% and Covasna 76%), only 44% and 41% of the officials are ethnic Hungarian.

***Law on Education Discriminates Against Minorities***

On June 28, 1995, the Rumanian Parliament passed a Law on Education in blatant violation of the constitutional provision that "National minorities have the right of native-language education at all levels and forms of education." Among other provisions, the law bans the teaching in any professional or technical subject in a minority language, including all subjects in the field of medicine, law and business, as well as in vocational, technical and agricultural schools. Three years ago, a petition to Parliament bearing 492,380 signatures and requesting debate of alternative language, was found valid by the Constitutional Court. Despite the court order, Parliament has refused to act.

***Ethnic Hungarians Are Underrepresented in the Public Sector***

Ethnic Hungarians continue to be grossly underrepresented at all levels of government and the public sector, including state-owned companies, the police force, leadership of the armed forces, the diplomatic corps and the judicial system. There is no ethnic Hungarian minister, deputy minister or state secretary in the government. Not one ethnic Hungarian has been appointed ambassador. There are no Hungarians in leading parliamentary bodies, in the Audio-Visual Council, in the Chief Comptroller's Office, in the Council of Magistrates, or on the Supreme Court. The combined ethnic Hungarian population of Bihor (Bihar), Satu Mare (Szatmár) and Salaj (Szilágy) Counties is 384,000, yet there is not a single ethnic Hungarian notary public in any of these counties. In July 1992, the Prime Minister summarily dismissed the only two ethnic Hungarian Prefects - the most powerful local officials in the country - from Harghita (Hargita) and Covasna (Kovászna) Counties, where Hungarians comprise 85% and 76% of the population, respectively.

***Central Government Imposes Limits on Local Self-Governance***

Since early 1994, centrally appointed government prefects have overruled the democratic decisions voted by local residents and removed scores of bi-lingual signs in villages inhabited by ethnic Hungarians.

Contrary to repeated warnings by U.S. Administration officials and members of Congress, Rumania continues to adopt legislation and implement practices which discriminate against national minorities. HHRF believes that this pattern of allowing legitimate U.S. requests to go unheeded, and promises to be willfully broken, constitutes a negative precedent for the upcoming process of NATO expansion. Given its evident success in avoiding fulfillment of its commitments, how much credibility can Iliescu rightfully attribute to future U.S. representations?

***MFN Is a Vital Tool for Promoting Human Rights***

***Please Retain It***

Since 1989, European allies have established effective mechanisms to monitor human rights and exercise pressure when needed. Through resolutions adopted by the European Parliament,

through Special Rapporteurs appointed by the Council of Europe, and through the OSCE High Commissioner for National Minorities, Europe has seen to it that effective leverage can be applied to curb abuses.

The United States, which *originated* the concept of promoting human rights through trade and other legislation, wisely created the MFN renewal process 22 years ago. For two decades, this mechanism provided a valuable forum for ongoing dialogue and needed pressure. Dozens of Congressional hearings focusing on rights violations, scores of on-site visits to Rumania by members of Congress, hundreds of written and oral communications, and Administration expressions of concern (as late as last Fall during President Clinton's White House meeting with Ion Iliescu) *have invoked MFN as the context and basis for action.*

Permanent MFN status would mean *permanent* loss of the incentive provided by this tool to continue with democratic reform. Why eliminate this effective device just as Europe moves in the opposite direction? To the *people* of Rumania, what message would we convey about U.S. priorities, American values?

#### **Rumania Is Not China**

One final note: MFN for Rumania is often wrongly mentioned in the same breath as MFN for China. The key difference is that while China, with its economic, political and military power, may decide it can afford to ignore U.S. human rights concerns, Rumania cannot.

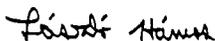
Rumania is also *not* Poland, the Czech Republic or Hungary, which *have* undertaken a fundamental transformation to democracy and a market economy. In fact, Rumania is not even Bulgaria, which took significant measures to reverse the pre-1989 campaign of persecution against its Turkish minority. While it is true that Rumania is not the only country in East Central Europe to elect a neo-Socialist leader who was once part of the Communist apparatus, Rumania *is* the only country where the same neo-Socialist leader has retained power continuously throughout the six years since 1990, without benefit of the (elsewhere vital) interval for instituting democratic reforms.

At the same time, no one is "picking on" Rumania. Sadly, Rumania's Iliescu has *distinguished himself* through a 6-year record of curbing press freedoms, condoning extremist nationalism, retarding privatization and suppressing the rights of 2.5 million ethnic Hungarians.

By *defeating* H.R. 3161 at this time, Congress would support those who want to see a continued U.S. presence in promoting press freedoms, religious liberties, a true market economy, stability and institutionalized respect for human rights in a country where these values are extremely fragile and frequently threatened. Please continue to support the noble aim established 22 years ago "to assure the continued dedication of the United States to fundamental human rights." Please help by working to defeat H.R. 3161, or at least delaying a vote until after the Fall national elections in Rumania.

Respectfully submitted,

HUNGARIAN HUMAN RIGHTS FOUNDATION



László Hámos  
President

# JUDY'S GROUP, INC.

1400 BROADWAY  
NEW YORK, N.Y. 10018  
212-921-0515

MAY 3, 1996

ATTENTION CONGRESSMAN PHIL CRANE

CHAIRMAN OF THE TRADE SUBCOMMITTEE OF THE HOUSE WAYS AND  
MEANS COMMITTEE

DEAR MR. CRANE.

MY FIRST TRIP TO ROMANIA WAS IN 1979 AND I PRODUCED MY FIRST  
ROMANIAN PROGRAM IN 1980.

I AM PROUD OF ALL THE ROMANIAN PEOPLE INVOLVED WITH MY BUSINESS  
AND I CONGRATULATE THEM FOR BEING ABLE TO CAPTIVATE JUDY'S  
GROUP FOR 16 CONSECUTIVE YEARS OF BUSINESS TOGETHER.

JUDY'S GROUP CURRENTLY PRODUCES APPROXIMATELY 550,000 SUITS PER  
YEAR OF WHICH 200,000 SUITS ARE PRODUCED IN ROMANIA.  
I HAVE RESTRAINED THE VOLUME BECAUSE OF MY GOVERNMENT'S  
LACK OF ACTIONS RELATED TO THE GRANTING OF PERMANENT MFN  
STATUS FOR ROMANIA.

THE U.S. GOVERNMENT HAS NOT TAKEN AN ACCURATE POSITION IN  
REFERENCE TO ROMANIA, AND BESIDES I WOULD BE AMUSED TO KNOW  
HOW MANY CONGRESSMEN AND SENATORS KNOW WHAT COUNTRY  
BUCHAREST IS IN.

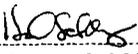
THE ROMANIAN PEOPLE DID NOT WANT TO SACRIFICE THE BIGGEST PART  
OF THEIR LIVES IN COMMUNISM AND REPRESSION.  
THIS TERRIBLE WAY OF LIFE WAS FORCED ON THEM, (WITH A LITTLE HELP  
FROM US MANY YEARS AGO).  
WE DISAPPOINTED THEM. WE WERE NOT THERE FOR THEM AFTER WORLD  
WAR II.

WE MUST SHOW SUPPORT TO THE PEOPLE AND GRANT THEM PERMANENT  
MFN STATUS. IF COMMUNISM SURFACES AGAIN, THEN TAKE ACTIONS, BUT  
WHY DO WE PUNISH THE PEOPLE NOW ??

I HAVE MET WITH PRESIDENT ION ILIESCU FOR 20 MINUTES AND I HAVE  
GROWN WITH THE INFRASTRUCTURE FOR 16 YEARS ... THEY ARE PEOPLE,  
PEOPLE LIKE YOU AND I, EXCEPT THEY HAVE SEVERE PROBLEMS, AND  
PERMANENT MFN WILL GIVE A BOOST TO THEIR PSYCHOLOGICAL  
SECURITY AND HELP TO SECURE A DEMOCRACY... BY NOT GRANTING  
THEM THE MFN THEN WE ARE HELPING TO FOSTER SEEDS OF COMMUNISM.

WE MUST DO EVERYTHING TO ENCOURAGE A FREEDOM AND WAY OF LIFE  
THEY DESERVE.

MY BEST THOUGHTS

  
-----  
HOWARD SCHLOSSBERG

CHIEF EXECUTIVE OFFICER

JUDY'S GROUP INC.

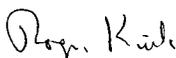
ROGER KIRK  
3230 Woodley Rd. NW  
Washington, DC 20008-3334

### **Statement in Support of Permanent MFN for Romania**

I wish to support the granting of permanent MFN for Romania at the earliest possible date. As Ambassador to Romania from November 1985 until July 1989, I am very familiar with the sufferings of the Romanian people under the abominable regime of then-dictator Nicolae Ceausescu. Denial of permanent MFN to Romania was, during those years, a valuable means of exerting some pressure on that regime.

Romania has made significant progress since the revolution of 1989 toward democracy, respect for human rights, the rule of law, and a free market. Its cooperation with United States foreign policy initiatives has been noteworthy. It seems to me, therefore, no longer justifiable for Romania to be one of the few countries denied permanent MFN. I thus urge that Romania be granted such status.

I make these comments on my own behalf, not on behalf of any other person or organization.



Roger Kirk  
US Ambassador to Romania, 1985-1989

Lockheed Martin Corporation  
1725 Jefferson Davis Highway  
Crystal Square-2, Suite 300 Arlington, VA 22202-4127  
Telephone 703-413-5601 Facsimile 703-413-5617



David S. Osterhout  
Vice President, Washington Operations

May 3, 1996

The Honorable Phil Crane  
Chairman, Ways & Means Subcommittee on Trade  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Mr. Chairman:

On behalf of the Lockheed Martin Corporation, I would like to express our strong support for H.R. 3161 and S. 1644, which would grant Romania permanent Most Favored Nation Status.

In the six years since the downfall of the Ceaucescu dictatorship, Romania has taken important steps to return to the community of Western nations where it belongs and from which it was driven by force fifty years ago. Romanian governments since 1989 have moved to reintegrate into Western political, economic, and security structures, and have taken steps to develop the rule of law and a market economy.

Romania's program of integration with the West is further illustrated by its commitment to develop a strong political and security relationship with NATO. Romania was the first nation to join the Partnership for Peace, which has become the keystone for upgrading the capabilities of its armed forces. Romania has participated in over 60 joint exercises and joint activities, and the Romanian armed forces have established 19 interoperability objectives with NATO. In its role as a stable force in Central Europe, Romania enjoys good relations with its neighbors and does not interfere with their security or stability.

Lockheed Martin is working closely with the Government of Romania to identify and address security and infrastructure requirements that will be essential to Romania's further development. Permanent extension of Most Favored Nation status to Romania will help solidify an important economic, commercial and security relationship in a vital region of the world.

We welcome the opportunity to work with you on this important issue.

Sincerely,

A handwritten signature in black ink, appearing to read "David S. Osterhout". The signature is fluid and cursive, with a large initial "D" and "O".

David S. Osterhout

6764 Old McLean Village Drive  
McLean, Virginia 22101  
Telephone: (703) 506-1447  
Fax: (703) 506-1433  
Telex: 6491226 MOODY UW

19. Constantin Bosianu Street  
75271 Bucharest, Romania  
Tel: (401) 335-2051/2/3  
Fax: (401) 335-9761

**Moody International Trading, Inc.**

---

April 16, 1996

Phillip D. Moseley, Chief of Staff  
Committee on Ways and Means  
U.S. House of Representatives  
1102 Longworth House Office Building  
Washington, D.C. 20515

Dear Mr. Moseley:

I, Ilya LeKuch, President of Moody International Trading, Inc., would like to take this opportunity to go on record to fully support legislation (HR316) to provide permanent Most Favored Nation status to Romania.

Moody International Trading, Inc. has recently celebrated 42 years of operation in Romania. Since 1954 we have maintained a full-time operational office in Bucharest, Romania. Today our office is located at 19, Constantin Bosianu Street, Bucharest, Romania 75271 and we employ six Romanian citizens on a full-time basis.

In the past, we were privileged to exclusively represent in Romania such fine companies as General Electric, Turbine Division, Eli Lilly Company, General Tire International, The Foxboro Company and many others. Together, with them, we were involved in major Romanian projects such as Chernovoda Nuclear Power Plant, Victoria Tire Factory and the construction of a dehydrated potato flakes factory, just to name a few.

Moody International Trading, Inc. has also formed in Bucharest two joint ventures: Moody Rom Trading SRL, Moody Impex SRL and we also own 2.5 percent of Industrialexport S.A., the most successful Romanian trading company today.

We currently supply Romgaz R.A. with instrumentation to measure and record the flow of natural gas as well as supplying other American equipment and raw materials to various Romanian private and government-owned companies.

We also sell Romanian oil field equipment and spare parts to Russian companies and corn to Lithuania, generating hard currency for various Romanian companies.

The Most Favored Nation status will enable us to concentrate on developing long-term projects with several Romanian companies without worrying whether or not Romania will benefit that particular year by having MFN status. This in turn would not require readjusting our strategy and pricing midstream.

Success or failure of the long-term projects will depend on the existence of a long-term MFN status for Romania as well as political and economic stability in Romania and the U.S..

Moody International Trading, Inc. and I have been physically present in Romania during the extremely difficult years of the Ceausescu regime, especially the period between 1984 and 1989, and were in Romania after the revolution of December 1989. I personally have been spending 40 percent of my time in Romania since 1979 and I can see the tremendous difference in every aspect of Romanian life. Be it commerce or trade, arts or sports, travel or leisure activities, Romanian people and companies are free to make their choices without the interference of any government agencies. It is a startling difference as compared to the pre-1989 conditions in Romania.

You can see everywhere in Romania the free market forces at play. New buildings in the capital and the rest of the country are being constructed, stores are full of food and consumer goods, restaurants are plentiful with good quality food and the quality of service in many public and private sectors has dramatically improved.

Romania still has a long and difficult road ahead before the quality of life can be equal to the western standards, but the fact remains that Romania today is a free country which respects human rights and which allows people to build their own future free of government control.

Throughout the years, I have met people from many walks of life: doctors, engineers, workers, teachers and a great majority of them are very friendly to Americans and will do whatever they can to provide help and assistance.

Once again, I would like to take this opportunity to express our total support in extending to Romania the permanent Most Favored Nation status.

Very truly yours,

A handwritten signature in black ink that reads "Ilya LeKuch (a.s.)". The signature is written in a cursive style with a large, stylized initial "I".

Ilya LeKuch  
President



April 30, 1996

The Honorable Philip M. Crane  
Chairman, Subcommittee on Trade  
Committee on Ways and Means  
1102 Longworth House Office Building  
Washington, DC 20515

Dear Mr. Chairman:

This is to express Motorola's support for the extension of unconditional Most Favored Nation trading status to Romania.

The conditional extension of MFN in 1993 resulted in a rapid increase in Motorola's sales to Romania. Motorola is now looking forward to establishing a joint venture for the provision of cellular telephone services, using Motorola equipment. These sales support jobs in Motorola facilities in Illinois and around the United States.

The unconditional extension of MFN to Romania will be an acknowledgment by the U.S. that Romania has fully joined the world trading community, including meeting Jackson-Vanik requirements and joining the World Trade Organization. Motorola looks forward to continued growth opportunities in Romania. Unconditional extension of MFN will be an appropriate response by the United States to support the reforms Romania has undertaken.

Thank you.

Sincerely,

A handwritten signature in cursive script that reads 'Joann Piccolo'.

Joann Piccolo  
Vice President and Director  
Federal and State Relations

/dl

Government Relations

1350 I Street, N.W., Suite 400, Washington, DC 20005-3305 (202) 371-6900 FAX (202) 842-3578

*N. Marshall and Associates, Inc.*

1585 Industrial Road  
 San Carlos, CA 94070-4111  
 Tel (415) 610-7900  
 Fax (415) 598-0118

*Communications Products*  
*Microwave - U.S.F.*  
*Digital - Satellite*  
 nmai@nmai.com

29 April 1996

Mr. Philip Moseley  
 Chief of Staff  
 Committee on Ways and Means  
 U.S. House of Representatives  
 1102 Longworth House Office Building  
 Washington, DC 20515

Dear Mr. Moseley,

This statement is being submitted to you to strongly urge the United States Senate to instate permanent Most Favored Nation status for the Republic of Romania.

Since the 1989 revolution, Romania has commenced to make a relatively smooth transition from a centralized economy to a market economy, and to date has been successful in the face of formidable challenges.

The importance of establishing a U.S. presence in trade with Romania is paramount. With the MFN status, the development of business connections and the establishment of trust that is essential for long term relationships will place the U.S. in the position of being not only a trading partner and market model for Romania, but also an accepted ideological mentor.

From our direct experiences in the area of telecommunications, the Romanians have displayed great enthusiasm and willingness to both learn our style of business and to participate in business with us.

The choice to be made now is: In five years' time, will we be looking at installed equipment and merchandise in Romania and other C.I.S. countries with the "Made in USA" label, or will they carry labels from Germany, France, and Italy?

We in the U.S. must recognize that the government that is now striving to adopt our business practices and political philosophy, is not the same as the pre-revolution regime that caused the suspension of the MFN status. The fledgling democracy should be encouraged and supported in all possible manners.

The acknowledged benefits of MFN status are the lower tariff rates, improved market access, increased bilateral trade, protection of intellectual property and the facilitation of the operation of U.S. business offices in Romania. In addition, MFN status will provide economic opportunities for the U.S., both in market access and reduced cost to import parts for our industry, and will help to stabilize their economy. Together with the ensuing cultural, ideological and philosophical exchange MFN status for Romania will result in immeasurable benefits for both of our countries.

We unequivocally urge you to approve permanent MFN status to Romania.

  
 Christine Gooding  
 Associate  
 N. Marshall and Associates, Inc.

National Association of Manufacturers  
 1331 Pennsylvania Ave. N.W.  
 Suite 1500 - North Tower  
 Washington, D.C. 20004-1790

MAY 3, 1996  
 TR-20

Comments of the National Association of Manufacturers<sup>1</sup> on the Committee on Ways and Means-Subcommittee on Trade *Request for Written Comments on the Extension of Unconditional Most-Favored-Nation Treatment to Romania.*

#### Introduction

The National Association of Manufacturers (NAM) is grateful for the opportunity to submit these comments on the extension of unconditional Most-Favored-Nation (MFN) treatment to Romania. The NAM supports such an extension and urges Congress to enact legislation in this area as soon as possible.

#### **INCREASED MARKET ACCESS FOR AMERICAN MANUFACTURERS**

Granting unconditional MFN would be fully in line with the growing commercial relationship between the United States and Romania. A bilateral trade and commercial agreement with Romania was ratified by Congress in 1993. Currently, the US enjoys a relatively large trade surplus with Romania (over \$200 million in 1995). The signing of the US-Romania Bilateral Investment Treaty (BIT) and steady progress towards a more stable legal and regulatory regime should serve as catalysts for further growth in trade and investment. Without unconditional MFN, U.S. companies there might find themselves at a competitive disadvantage vis-a-vis their European rivals.

#### **SECURED RIGHTS UNDER THE WTO**

Romania is a founding member of the WTO and a contracting party of the GATT since 1971. Nonetheless, Romania is the only one of the five central and eastern European members of the WTO that has not been granted unconditional MFN status. Romania has demonstrated a strong desire to cooperate with the U.S. on trade matters. According unconditional MFN by the U.S. sends an important signal that the U.S. rewards those countries that play by the rules. Should the need arise, however, the extension of permanent MFN treatment would enable the U.S. to avail itself of all rights under the GATT and the WTO with respect to Romania.

#### **FURTHERING EUROPEAN INTEGRATION**

According permanent MFN status to Romania sends an important signal to the outside world (at a sensitive time just prior to national elections) that Romania is steadily moving toward both economic and political integration with the West. The European Union (EU) is currently holding the Inter-Governmental Conference (IGC), during which time the EU will consider major changes in its institutional structure. These changes will determine to a large extent when Romania and other countries in central and eastern Europe will become full-fledged members of the EU. It is the policy of the U.S. government to support the accession of central and eastern European countries, including Romania, as integral parts of the common European home. At the same time, the U.S. should ensure that its commercial relations with Romania rest on the sound footing of unconditional MFN.

---

<sup>1</sup> The NAM has over 14,000 member companies and subsidiaries, including approximately 10,000 small manufacturers. Members produce about 85 percent of U.S. manufactured goods. Through its member companies and affiliated associations, the NAM represents every industrial sector and more than 18 million employees. The NAM's mission is to enhance the competitiveness of manufacturers by shaping a legislative and regulatory environment conducive to U.S. economic growth in a global economy, and to increase understanding among policymakers, the media and the general public about the importance of manufacturing to America's economic strength and standard of living.

### **ADVANCING HUMAN RIGHTS**

The NAM believes that American values in areas such as human rights will be more effectively advanced if American companies are more actively engaged in Romania than if they are forced to limit their trade and investment links in that country. The NAM is encouraged by the process of historical reconciliation between Romania and its Hungarian minority, the resumption of negotiations on a Romanian-Hungarian Treaty, and the elaboration of a Joint Declaration with the Hungarian government. It would appear that Romania is in full compliance with the freedom-of-emigration provisions of section 402 of the 1974 Trade Act. Romania allows full and free emigration of all its citizens. The U.S. has twice recently certified that Romania has satisfied the emigration provisions of Jackson-Vanik.

### **POLITICAL PLURALISM AND THE MEDIA**

Romania has demonstrated a firm commitment to both economic and political integration with the West. Since 1989, two internationally-monitored national elections were held which were acknowledged to be free and open and included candidates from a range of parties. A free, lively, and largely privately owned press has flourished since the demise of the Ceausescu dictatorship.

### Conclusion

The dramatic effects of 40 years of Communist dictatorship cannot be reversed overnight. Since the departure of the Ceausescu regime in 1989, Romania has made steady improvement in political and market-oriented reforms. According unconditional MFN can only move the reform process forward. It is firmly in the interests of both countries and American manufacturers for the U.S. Congress to accord Romania unconditional MFN status.

**NATIONAL FEDERATION OF AMERICAN HUNGARIANS**

7 Greenbush Avenue  
 East Greenbush, NY 12061  
 (518) 477-5476, fax (518) 477-8647

Dr. Sandor Balogh Chairman  
 Executive Committee

The Honorable Philip M. Crane  
 Chairman, Subcommittee on Trade,  
 Ways and Means Committee  
 House of Representatives  
 1104 Longworth H.O.B.  
 Washington, D.C.

Dear Mr. Chairman:

Congress is about to consider the unconditional grant of Most Favored Nation status to Rumania.

Aside from the fact that many of the current rulers of Rumania are former members of Rumania's communist party and of its ruling communist elite, Rumania's human rights and minority policy is one of, if not THE worst, of any nation in Europe.

I shall not waste Mr. Chairman's valuable time with listing the documented human rights and minority policy abuses by and with the support of its elected government that continues to this day. The Commission on Security and Cooperation in Europe, under the able leadership of Senator A'Amato and Congressman Christopher H. Smith could give you volumes written about these abuses.

The MFN status is the last tool the U.S. government has, short of bringing the offending government before international tribunals, to influence Rumania's human rights and minority policies. This is also the last hope of the millions of citizens of Rumania, including Hungarians, Romas, and ethnic Germans, to improve their lot in this country. The Rumanian government not only violates several international human rights documents, but it violates the peace treaty of Trianon that granted them a large part of historic Hungary, known as Transylvania, putting the ancestors of the current generation of Hungarian population under Rumanian rule.

Therefore we implore you, please use your influence and power to prevent the unconditional grant of the MFN status. Instead, Congress should deliver a message to the Rumanian government that the US government will grant conditional MFN status to Rumania only if and when and as long as it will fully comply with its international multilateral and bilateral treaty obligations concerning human and minority rights.

Sincerely,



Dr. Sandor Balogh

## NATIONAL FOREIGN TRADE COUNCIL, INC.

1625 K STREET, N.W., WASHINGTON, DC 20006-1604

Tel: (202) 887-0278



FAX: (202) 452-8160

April 30, 1996

The Honorable Phillip Crane  
Chairman  
Subcommittee on Trade  
Committee on Ways and Means  
1102 Longworth House Office Building  
Washington, DC 20515

Dear Mr. Chairman:

On behalf of the National Foreign Trade Council (NFTC) and its 500 member companies, I write in support of your recently introduced legislation to permanently extend most-favored-nation (MFN) trade status to Romania. This bill -- H.R. 3161 -- is prudent and deserves timely passage on the part of the Ways and Means Committee and the full House of Representatives.

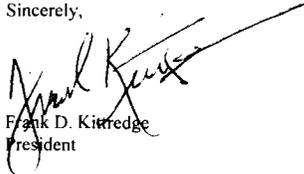
Romania should receive permanent MFN status because it has made strong progress in the transition from communism to a free market democracy. This nation of over 23 million people represents a potentially rich commercial market for U.S. companies. Since November 1993, when Romania was initially granted MFN, American investment there has doubled each year with Romanian exports to the United States increasingly by 27 percent in 1995 over the same period in 1994. In fact, during the first nine months of 1995, two-way trade between the U.S. and Romania totaled \$349 million.

Romania meets our most stringent tests for permanent MFN extension: they have enjoyed bilateral trade and commercial agreements with the U.S. dating back to 1993; they have twice been certified to meet the freedom of emigration requirements of the Jackson-Vanik Amendment to the 1974 Trade Act; and, they are the only U.S. trading partner that has acceded to the WTO, but has not received permanent MFN status.

Extending permanent MFN status sends a strong, supportive message to the people and government of Romania as they continue their effort to overcome the political and economic challenges left by 40 years of Communist Party rule. This economic and political support could not occur at a better time, as Romania prepares for its second national Presidential election this Fall.

Therefore, the NFTC strongly supports the permanent extension of MFN trading status to Romania and urges the passage of H.R. 3161 as soon as possible.

Sincerely,



Frank D. Kitredge  
President

BEFORE THE  
SUBCOMMITTEE ON TRADE  
COMMITTEE ON WAYS AND MEANS  
UNITED STATES HOUSE OF REPRESENTATIVES

STATEMENT  
OF  
RUTH NOBLE GROOM  
PRESIDENT  
NOBLE TRANSOCEANIC CORPORATION

ON H.R. 3161  
EXTENSION OF UNCONDITIONAL MOST FAVORED NATION STATUS TO  
THE REPUBLIC OF ROMANIA

May 3, 1996

Noble Transoceanic Corporation welcomes the opportunity to submit this statement in connection with the Trade Subcommittee's consideration of H.R. 3161, extension of unconditional Most Favored Nation (MFN) status to Romania. We strongly believe that this is an essential step in increasing trade between the two countries, and my company urges the Subcommittee to approve H.R. 3161, granting unconditional MFN status to Romania as soon as possible.

Noble Transoceanic Corporation has been engaged in importing from and exporting to Romania since 1984. We are a Delaware corporation registered in the District of Columbia. In the past, we have purchased wood and paper from Romania. We have also shipped United States cotton, coal, and machine parts to Romania, and we have formed a joint venture in Bucharest.

In 1985, 1986, 1987, and 1993 I submitted written testimony on behalf of maintaining MFN status for Romania and have testified before the Ways and Means and Senate Finance Committees several times on this subject. In reviewing my prior testimony, it became apparent that the predictions my business colleagues and I made concerning the decline in trade that would occur because of the loss of MFN status and the increase in trade due to its subsequent restoration have proven accurate.

ROMANIAN IMPORTS

According to United States Government statistics, Romanian imports into the United States declined by almost ninety percent (90%) between 1987, the last full year of MFN, and 1992.<sup>1</sup>

My own business record is more drastic. Before the loss of MFN status in July, 1988, Noble Transoceanic Corporation imported wood and paper from Romania. Since then, we have imported nothing from Romania into the United States. There are several hundred other businesses in the same situation.

There are others beside the United States importers who were harmed by the loss of trade, particularly the American consumer. It is important to remember that the vast majority of Romanian manufactured goods which enter the United States under MFN "Column 1" duty rates do not compete generally with goods of United States manufacturers. These Romanian imports compete with other imports, making available to the American public more variety of products at lower prices. Americans benefit by access to Romanian manufactured goods and United States jobs are not threatened.

---

<sup>1</sup> U.S. International Trade Commission, Office of Economics.

**UNITED STATES EXPORTS**

There is another side to the issue of Romanian-American trade; specifically, United States exports to Romania. I think it is important to appreciate the fact that, after the loss of its MFN status, Romania continued to purchase from the United States in substantial disproportion to her exports to the United States. Even under such unfavorable circumstances Romanian purchases of United States products remained essentially level. To be direct, even when it did not enjoy MFN status, Romania favored United States exporters sometimes at the expense of nearer neighbors such as Austria, Germany, and France.

My own business experience illustrates this. During the years when Romania lacked MFN status, we continued to sell small amounts of U.S. manufactured machine parts and bearings, even though the Romanians found it very difficult to pay. Also, as the agents for Weil Brothers-Cotton, Inc. of Montgomery, Alabama, we sold cotton to Romania under PL-480 and under the GSM-102 program.

In my opinion, Romania has demonstrated good faith and sincerity in its desire to uphold and maintain trade ties with the United States even after losing much of its market in the United States for manufactured goods when MFN was revoked.

**MFN STATUS**

After President Clinton signed Public Law 103-133 in November 1993 approving the extension of MFN treatment to the products of Romania, two-way trade between the two countries has increased markedly, and, moreover, trade has been essentially in balance. Restoration of Romania's MFN status has helped my company. Our export business with Romania has increased substantially, particularly with respect to cotton shipments under USDA's GSM-102 program.

However, we have delayed making investments in Romanian enterprises that could export products to the United States or in importing Romanian products ourselves because of the annual uncertainty relating to the continuation of Romania's MFN status. Businesses, especially small and medium size businesses like mine, need to be sure that our operations will not be subject to political winds before we can commit scarce resources to new projects. We will significantly expand our import trade with Romania if, and only if, Romania's MFN status is made unconditional. Provisional MFN, subject to annual review, is simply bad for business, and for consumers.

**CONCLUSION**

Obviously, once the United States market is unconditionally open to Romanian imports, and dollars flow into the Romanian economy, the United States will sell more to Romania. That means more jobs and income generated here, as well as increased consumer access to a variety of Romanian goods.

There is every good reason to give Romania unconditional MFN status and no compelling reason not to do it. Both countries are sure to benefit.

May 3, 1996

1515 North Sheridan Road  
Lake Forest, IL. 60045

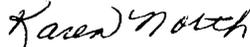
Mr, Phillip D. Moseley  
Chief of Staff  
Committee On Ways and Means  
U. S. House of Representatives  
1102 Longworth House Office Building  
Washington, C. C. 20515

Gentlemen.

I am writing this letter as a concerned individual and U. S. Citizens and also on behalf of the Board of the Romania Evangelistic Medical Mission, a board in which I am the Financial Secretary. This organization is a Christian organization which is supporting a Medical Clinic and Orphanage in Beius, Romania. Our missionary Dr. Peter Lucaciu travel to Romania approximately 6 months each year and lives in the states 6 months each year. After consulting with Dr. Lucaciu we individually and collectively agree that Romania should NOT receive PERMANENT MOST FAVORED NATION STATUS PERMANENTLY until their government becomes more stable. We further suggest that this be reviewed again after the election which should take place in Romania the end of September.

Thank you for all that you are doing Congressman Crane in an effort to bridge the gap and help Romania.

Sincerely,



Karen G. North

MICHAEL D. BROWN  
 MARK J. BUNIM  
 TERENCE P. CUMMINGS  
 JOHN PAUL FULCO, P.C.  
 WARREN R. GRAHAM  
 ABRAHAM E. HAVKINS  
 GEOFFREY W. HEINEMAN  
 CHRISTOPHER B. HITCHCOCK  
 MANFRED OHRENSTEIN  
 STEVEN H. ROSENFELD

PETER J. BIGING  
 MICHELE D. BRESLOW  
 ANNMARIE D'AMOUR  
 JOSEPH F. FIELDS  
 MICHAEL GOLDSTEIN  
 ANDREA B. JACOBSON  
 BENNETT R. KATZ  
 ANDREW L. MARGULIS  
 LEONARD P. MORTON  
 ABE M. RYCHIK  
 JOHN R. SACHS, JR.  
 EVAN SHAPIRO  
 PHILIP TOUITOU

OHRENSTEIN & BROWN, LLP  
 COUNSELORS AT LAW

230 PARK AVENUE  
 NEW YORK, NEW YORK 10169-0103  
 (212) 682-4500

TELECOPIER: (212) 557-0910

1208 FRANKLIN AVENUE  
 GARDEN CITY, N.Y. 11530  
 (516) 333-1245  
 TELECOPIER (516) 248-1947

PETER J. KIERNAN  
 STANLEY M. KOLBER  
 COUNSEL

April 19, 1996

Mr. Philip Moseley  
 Chief of Staff  
 Committee on Ways and Means  
 U.S. House of Representatives  
 1102 Longworth House Office Building  
 Washington, D.C. 20515

Dear Mr. Mosely:

I am writing to you with regard to Bill H.R. 3161 co-sponsored by Hank Brown and Phil Crane, which would grant permanent Most Favored Nation status to Romania.

In January, 1995, I had the privilege of being a delegate to the President's Conference on Trade and Investment in Central and Eastern Europe which was held in Cleveland, Ohio. Since that time I have worked, together with several of the Central and Eastern European countries, to hold a follow-up to this conference here in the City of New York. The representatives of Romania here in New York have been particularly cooperative on this project and, as a result, I have become closely acquainted with conditions in Romania and that country's accomplishments and goals.

I strongly believe that granting MFN trade status to Romania would be in the interest of both the United States and Romania (and in the interest of the region at large). Romania and many of the other countries in this region have made great progress in the establishment of a true market driven economy and have shown slow but steady progress toward the democratization of their political institutions.

Giving Romania MFN status will not only measurably assist this country but would send a strong signal to the entire region that the United States is serious in its efforts to help make this area part of a strong, prosperous and democratic Europe.

Thank you for your attention to the matter.

Sincerely,

  
 Manfred Ohrenstein

**OPRAN GROUP**

60-92 MYRTLE AVENUE, RIDGEWOOD, NY 11385, USA  
 TEL: (718) 497-2121 FAX: (718) 497-1142  
 TOLL FREE : 1-800-656-7726

April 29, 1996

The Honorable Philip Moseley  
 Chief of Staff, Committee on Ways and Means,  
 U.S. House of Representatives,  
 1102 Longworth House Office Building,  
 Washington, D.C. 20510

Dear Representative Moseley :

I together with a great number of Americans of Romanian extraction as myself, am extremely encouraged by the recent introduction by Senator Brown ( R-Co ) and Congressman Philip Crane ( R-II ) of legislation that would provide Romania with permanent Most Favored Nation (MFN) status.

Romania has not yet been granted the MFN trade status on a permanent basis, which is creating, unfortunately, a number of difficulties, denying the partners from both sides the full benefits under the bilateral trade agreement and a provision of the World Trade Organization documents.

The lack of permanent MFN trade status is indeed an anachronism, because, otherwise, bilateral relations between Romania and United States of America are very good and close, in political, economic, military, social fields, etc.

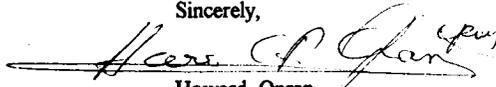
However, with the domestic focus of Congress this year, we need assistance in ensuring passage of permanent MFN for Romania in 1996.

I appreciate the efforts you will be making on behalf of Romania and be sure, Dear Senator, that the large Romanian Communities from the USA will be very grateful to Your Honor.

If you have any questions regarding Romania and its economic and political environment, please feel free to contact me in my office at (718 ) 497-2121.

Thank you very much for your consideration.

Sincerely,



Howard Opran  
 President of Opran Group of Companies

**ROMANIAN AMERICAN ASSOCIATION OF GEORGIA, INC.**

1351 Oakbrook Drive Suite 130,  
Norcross, Georgia 30093  
Tel./Fax 770-934-6764

Atlanta, April 29, 1996

To: Phillip D. Moseley, Chief of Staff  
Committee on Ways and Means  
U.S. House of Representatives  
1102 Longworth House Office Building  
Washington D.C. 20515

Dear Mr. Moseley,

On behalf of our organization which was founded recently in Georgia and its members ( over 500 until now), we are submitting to you this statement and comments on The Extension of Unconditional Most-Favored-Nation Treatment to Romania. We believe that our former country is proving continuously its effort for democracy, human rights and free market economy, and therefore granting Permanent MFN Status to Romania will benefit both Romania and USA.

Romania's transformation from a centrally planned, inefficient state system to a free market has been slow, steady and unheralded. Unlike some of its Central and eastern European neighbors, whose first steps have been followed by a slowing, or in some cases, a reversal of economic liberalization, Romania continues to march steadily ahead toward a free market economy, integrated into the Western economic system.

Romania's quiet inexorable change has not been without cost. Romania experienced negative growth in the early 90's. But beginning in 1993, Romania turned its economy around and has reached a point today where both multilateral economic institutions such as World Bank and the world's private sector companies now routinely invest in Romania's future.

Some key examples of Romania's recent successes are:

-Foreign investment in Romania at the end of 1995 topped 1.6 billion, about 25% more than 1994.

-On June 4, 1995, President Iliescu signed a law launching an accelerated privatization program. Share coupons were given to population allowing them to invest in more than 3,300 companies to be privatized by 1997. Privatization of the economy will accelerate this year, by implementing the new amendments of the Privatization Law ( selling of near 3000 state owned enterprises ).

-The Bucharest stock exchange, which reopened earlier this year after 50 years, will facilitate the implementation and the expansion of the privatization program.

-The agriculture sector has been one of the first sectors to return to private control. As a result of this, for the first time in years, Romania will become a net exporter of wheat. Romania is poised to re-emerge as a major player in the European grain markets and resume its historic role as the bread-basket of the Balkans

-The foreign trade volume reached \$17 billion with exports accounting for \$7.6 billion, 22% more than in 1994.

-Romania's inflation rate has declined sharply to 25% in 1995, down from 62% in 1994 and 300% in 1993.

Romania is totally committed to democracy, the free market and full economic and political integration with the West. Romania believes that its destiny lies with the West and especially with the US.

In the foreign policy area, Romania has worked side by side with the United States to achieve peace and stability in the region - often at a direct and substantial cost to itself ( participants in IFOR in Bosnia and the first nation to join the Partnership for Peace). Romania is also looking forward to a full NATO membership, and is truly one of

America's staunchest allies in the region. There is absolutely significant political consensus, both at the leadership and common people level.

In the economic area, Romania's transition has been more difficult than that of several of its neighbors, because the past legacy was more deeply engraved and more difficult to overcome. Nevertheless, Romania's march toward the free market has been steady and without reversal. Today 45% of Romania's Gross Domestic Product is provided by its private sector.

Underlying these dramatic reforms are a number of critical actions taken in 1995:

- The Romanian-American Enterprise Fund became operational and the first project was funded.

- The IMF agreed to give Romania a \$400 million disbursement for macroeconomics stabilization.

- The World Bank committed an additional \$280 million for restructuring, privatization and banking reform.

- The World Bank approved \$110 million for power sector rehabilitation.

Today, with a population of 23 million, Romania offers to Western investors the second largest market in Central Europe, a growing demand for consumer goods, a wealth of natural resources, a skilled and inexpensive labor force, and untapped tourism opportunities from the Transylvanian Alps to the beaches of the Black Sea.

For the first time a special Committee on American - Romanian relations has been established with the specific task of promoting business and strategic cooperation with American partners.

The democratic movement in Romania is alive and well. There are numerous parties representing the interests of minorities and others. There is a vibrant free press, and there have been no government-sanctioned incidents of human rights abuse or anti-Semitism. We believe that Romania is committed to preserve a tolerant, open society, and we hope that also the 1996 elections will prove this.

Romania needs America's help in order to sustain the wisdom of this course of action. America can help Romania not only with financial assistance, but with the permanent extension of Most Favored Nation Status - which will bring economic and social benefits for both Romanians and Americans, and with inclusion into an expanded NATO on the same basis as that of its neighbors.

Both Romania and the United States have mutually benefited from the provisional MFN extension to Romania. Exports from both nations have increased, but not to the extent needed and justified, at the same time, by the existing economic and political potential.

The full benefit, however, cannot be achieved until permanent MFN is granted. The lack of permanent MFN status at the time when the United States has granted such status to nearly every other Central European country can be disruptive to Romania's trade liberalization and economic reform.

Although both Romania and United States are original World Trade Organization (WTO) Members, Romania being fully committed to uphold and promote its principle of non-discrimination and trade liberalization, the absence of permanent MFN status has led to an unnatural non-application of the WTO's provisions between the two countries.

In conclusion we believe that Romania meets all statutory criteria, including free emigration procedures, to be granted Permanent MFN Status.

As proud and loyal citizens of the United States, remembering the country we came from, and where our families and relatives still live, we ask you to grant Romania's the Permanent MFN Status.

Sincerely,  
ROMANIAN-AMERICAN ASSOCIATION OF GEORGIA, INC.



John Lazau  
President



2 Wisconsin Circle, Suite 510, Washington, D.C. 20815  
Tel: (301) 656-9022 • Fax: (301) 656-9008

April 16, 1996

The Honorable Phillip Crane  
Chairman, Trade Subcommittee  
House Ways and Means Committee  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Representative Crane:

On behalf of the Romanian-American Chamber of Commerce, I am writing to express my support for H.R. 3161 which grants permanent Most Favored Nation status to Romania.

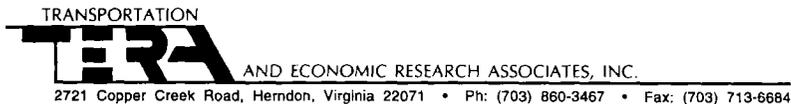
Not only has Romania made significant advances in embracing democracy and a market economy, its businesses and people have demonstrated a desire to build a mutually beneficial trade relationship with the United States. Our membership of over 200 American and Romanian companies illustrates the growing trade ties between our countries. Granting permanent MFN status to Romania is an important step in developing this bilateral relationship.

I encourage you to vote in favor of moving this legislation from your committee to the House floor. If you have any questions regarding Romania and its economic or political environment, please feel free to contact me in my New York office at (212) 344-5500 or our Associate Director, Kelly Swanson, at RACC headquarters at (301) 656-9022.

Thank you very much for your consideration.

Sincerely,

Mark A. Meyer, Esq.  
Chairman



May 3, 1996

Mr. Philip Moseley, Chief of Staff  
Committee on Ways and Means  
U.S. House of Representatives  
1102 Longworth House Office Building  
Washington, DC 20515

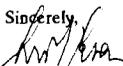
Dear Mr. Moseley:

I am writing this letter to plead with the distinguished members of the Committee on Ways and Means and the House of Representatives to provide Romania with permanent Most Favored Nation (MFN) status.

As a small American business performing consulting services for 20 years, we have been very actively involved in the economic development of all the 26 nations in Central and Eastern Europe, as well as in New Independent States. During the last two years alone, we completed two dozen projects in infrastructure development in this region. We have made numerous trips to Romania, as well as to the other emerging democracies in the region. I can therefore speak from actual experience.

In all the nations of CEE and NIS I have had the occasion to visit, Romania is on the top of my list with respect to democratization, privatization, and social/economic reforms. It will witness the second fully democratic national elections later this year. Its economy is growing in tandem with its impressive accomplishments in privatization and individual freedoms. American business interests in terms of trade and investments are growing in Romania. In short, Romania has fully accomplished all the requirements for permanent MFN status and deserves to be recognized by our Government as such.

Any assistance you can provide in removing this anomaly in our foreign economic relations and provide Romania with permanent MFN status will be greatly appreciated. Should you wish additional information, please do not hesitate to contact me. Thank you very much for your help.

Sincerely,  
  
Asil Gezen, Ph.D.  
President

**U.S. CHAMBER OF COMMERCE**

**International Division**  
 1615 H Street N.W.  
 Washington, D.C. 20062-2000  
 Phone (202) 463-5460  
 Fax: (202) 463-3114

**Romanian-U.S.  
 Working Group**

30 April, 1996

**Chairman**  
*Dr. John Farber*  
 ICC Industries

AIG  
 American Bank Note  
 Corp.  
 Atlanta Corp.  
 Chemical Bank  
 Coca-Cola  
 Dow Chemical  
 Dresser Industries  
 Internet Securities  
 Lipe-Rollway Corp.  
 NPD Trading  
 Pepsi-Cola  
 PlanEcon  
 Quadrant-Amroq

The Honorable Philip M. Crane  
 Chairman, Subcommittee on Trade  
 Committee on Ways and Means  
 The United States House of Representatives  
 1102 Longworth House Office Building  
 Washington, D.C. 20515

RE: Extension of Permanent MFN Status to Romania

Dear Mr. Chairman:

The Romanian-U.S. Working Group of the U.S. Chamber of Commerce is a leading association of American companies with trade and investment interests in Romania. The Working Group is successor to the Romanian-U.S. Business Council, established over twenty years ago as an information and business advocacy body whose main goal has been protection and promotion of U.S. business interests in Romania.

Members of the Romanian-U.S. Working Group firmly believe that Romania should be granted an unconditional extension of the MFN treatment. Since the beginning of the market transition of Romania, we have been closely monitoring economic and political developments in the country where our members are engaged in trade and investment. We have held recent meetings with many government and opposition leaders, Romanian organizations of employers and labor unions, economists, lawyers and members of the press. Based on our experience and analysis of the developments in Romania, we believe that Romania meets the statutory requirements for permanent MFN treatment and that the extension of such treatment is in the economic interests of both Romania and the United States. American companies are keenly interested in the growth of the Romanian market for U.S. goods and services. As a largely export-driven economy, Romania can only develop its market through free trade. This has been clearly understood by the successive Romanian governments which appear to be earnestly engaged in restructuring of the Romanian economy on market principles. The permanent extension of MFN treatment for Romanian goods and services will be crucial for sustaining the transformation of the Romanian economy and ensuring its balanced orientation in the global marketplace.

Romania's recent human rights record appears to justify the extension of unconditional MFN treatment to Romania. We are not aware of any recent policies or practices of Romanian authorities that would run afoul of the Jackson-Vanik Amendment to title IV of the Trade Act of 1974. Romania has a hard-earned image of a transition economy open to U.S. and other Western business, which was clearly reflected by the recent improvement in the investment ratings Romania received from international rating agencies.

Regular reviews of Romania's eligibility for MFN treatment introduce an unnecessary ambiguity in the Romanian-U.S. economic relationship. The openness of the Romanian society in fact guarantees that Romania's human rights commitments will remain closely monitored by domestic and international media as well as business advocacy groups. The Romanian-U.S. Working Group strongly urges your Committee to recommend the extension of unconditional MFN treatment to Romanian imports.

Sincerely yours,

Gary Litman  
 Executive Director  
 Romanian-U.S. Working Group

JOHN R. VINTILLA  
ATTORNEY & COUNSELOR AT LAW

4405 VALLEY FORGE DRIVE  
CLEVELAND, OHIO 44126-2826

TEL (216) 331-7979  
FAX (216) 331-6979

April 12, 1996

Mr. Philip Moseley  
Chief of Staff of  
The Committee of Ways and Means  
U.S. House of Representatives  
1102 Longworth House Office Building  
Washington, DC 20515

Dear Sir:

I am writing you as a native American of Romanian parents who immigrated to the United States early in this century.

Ever since my graduation from the Law School of the University of Michigan in 1948, I have engaged in the active practice of law, with offices in Cleveland, Ohio. Due to my knowledge of and fluency with the Romanian language, my practice involved matters regarding the claims of Romanian citizens and residents to decedents' estates and other property in the United States. For many years, these matters dominated my practice. In the representation of such clients, I have practiced in all the courts of Ohio and in those of other states. Many of these cases took me to the United States District Courts and Courts of Appeals throughout our land, and also to the Supreme Court of the United States. I have pursued the protection and preservation of the rights of these clients with the same vigor and dedication that I devoted to my other clients' rights.

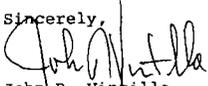
This work, of necessity, required me to make frequent trips to Romania, often as many as four per year. During these visits, I had innumerable occasions to meet with and talk to the people there. I have found them always extremely pro-American and intensely desirous of friendship with our country.

I have visited Romania frequently since the Revolution of December, 1989. The country has embarked upon a path to democracy and free markets. However, as a result of the brutal legacy of the recent dictatorship, the economic road ahead for Romania is a difficult one. I have observed firsthand the struggles and hardships being encountered by the people because of the drastic transition to a free market economy. Progress in this respect is dependent to a large degree on the permanent extension of the most-favored-nation treatment accorded by our government to Romania.

My family and I have undertaken a business venture which we hope will, in a modest way, aid in the economic progress of the country. We have formed an Ohio corporation known as Vinro, Inc., which imports gourmet wines from Romania under the trade name "Suveran--Premier Wines." These wines have been acclaimed as being among the finest in the world.

It is my profound belief that the permanent extension of the most-favored-nation treatment for Romania will strengthen our ties with the people and enable the country to become a strong force for peace and a healthy economic base for international economic activities. Therefore, I join with our president in urging you to act favorably on this important measure.

Sincerely,

  
John R. Vintilla



Westinghouse  
Electric Corporation

Suite 1200  
Washington BOD  
600 New Hampshire Avenue NW  
Washington DC 20037

04/16/1996

Representative Bill Archer,  
United States House of Representatives,  
Chairman,  
House Ways & Means Committee,  
1236 Longworth HOB  
Washington DC 20515

Dear Mr. Chairman,

It has come to my attention that Representative Philip M. Crane, Chairman of the Subcommittee on Trade of the House Committee on Ways and Means has announced that his Subcommittee is requesting written comments from all parties interested in the extension of unconditional most-favored-nation (MFN) treatment to Romania. I am writing this letter in response to this request and to urge the leadership of both the House Ways and Means Committee and the Senate Finance Committee to act positively and expeditiously on this matter.

Romania's trade status with the US is currently inhibited by the provisions of the Jackson-Vanik amendment to Title IV of the Trade Act of 1974. On November 2, 1993 President Clinton, recognizing the great strides which Romania had made in the field of human rights, signed PL 103-133, approving the extension of MFN status to Romanian products exported to the US. Subsequent to that signing, two way trade between the US and Romania rose from \$376 million in 1993 to \$528 million in 1994. It is now time to make Romania's MFN status permanent.

Romania allows full, free emigration of its citizens, including its Jewish citizens. It was the concern to facilitate free emigration which initially led the Congress to legislate Jackson-Vanik. Moreover, the US and Romania have signed a bilateral investment treaty. Hence, Romania meets all the statutory requirements for permanent MFN status.

We must also consider that Romania now has held two national, multi-party elections. It has become a signatory to major international conventions on human rights and it has sought to integrate its security with that of NATO via the Partnership for Peace program.

We have every reason to believe that the Congressional passage of permanent MFN status for Romania will allow trade between our two nations to flourish. The Power Generation Business Unit of the Westinghouse Electric Corporation stands ready to play an active role in the revivification of the Romanian economy and respectfully requests the US Congress to facilitate that process by legislating permanent MFN trade status for Romania.

Sincerely,

Frank Bakos,  
President, Power Generation Business Unit

cc Mr. Phillip Mosely,  
Chief of Staff  
Committee on Ways and Means