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WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name DOBRIANSKY, PAULA: FILES

Withdrawer

RBW 1/31/2017

File Folder ROMANIA - EE [EASTERN EUROPE] MFN [MOST FAVORED NATION] (1)

FOIA

F1640/3

Box Number 6

HERSHBERG

66

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
188817	PAPER	RE. TRADE TOOLS	3	ND	B1
188818	PAPER	RE. MFN	6	ND	B1

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

NATIONAL SECURITY COUNCIL

WASHINGTON, D.C. 20506

~~CONFIDENTIAL~~

May 11, 1981

VIA LDX

MEMORANDUM FOR: L. PAUL BREMER, III
Executive Secretary
Department of State

SUBJECT: MFN Renewal (Romania, Hungary, PRC)
S/S 8112916

The NSC Staff suggests that the Presidential waivers of prohibition of MFN for Hungary and the PRC should be considered separately from a potential waiver for Romania. We concur with your recommendation that the situation with regard to Hungary and the PRC does not warrant any additional examination and the said waivers should be granted unconditionally. (C)

However, the Romanian case is quite different. Jewish emigration from Romania has decreased considerably in numbers and the Romanian authorities have not alleviated the harassment of those Jews desiring to emigrate. Their behavior contradicts several pledges extended by the Romanian Government to the American Jewish community. Hence, before MFN can be granted we should seek assurances from the Romanian Government that the current unsatisfactory state of Jewish emigration would be remedied. (C)

We are aware of Romania's sensitivity to the issue of Jewish emigration and the likely resentment with which it will meet our direct pressure. Yet, given its need of U.S. trade and technology and a manifestation of our determination on this issue, it is most unlikely Romania will refuse to grant these assurances. Moreover, given the current sentiment on Capitol Hill, and the already existent Jewish disenchantment with this Administration's proposed AWAC sale, the likelihood that Congress would overrule the Presidential waiver to Romania is considerable. If this were to occur, it would embarrass the Administration and would worsen U.S.-Romanian relations to a greater extent than simply not renewing the Presidential waiver. (C)

However, if the Romanians are not forthcoming on this issue and do not provide the required assurances, MFN should not be renewed and our trade agreement with Romania would lapse. It is unlikely, though, that even this improbable contingency would significantly damage overall U.S.-Romanian relations or considerably alter Romania's foreign policy. (C)

Based on the above considerations, we propose that a separate PD, transmittal message and recommendation for extension of waiver authority be prepared for Romania. We seek your comments on the above by noon tomorrow. (C)

Allen J. Lenz
Staff Director

DECLASSIFIED
Authority NSC Waiver 8/6/10
BY RW NARA DATE 1/31/17

~~CONFIDENTIAL~~

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NATIONAL SECURITY COUNCIL

WASHINGTON, D.C. 20506

May 11, 1981

VIA LDX

~~CONFIDENTIAL~~

MEMORANDUM FOR: L. PAUL BREMER, III
Executive Secretary
Department of State

SUBJECT: MFN Renewal (Romania, Hungary, PRC)
S/S 8112916

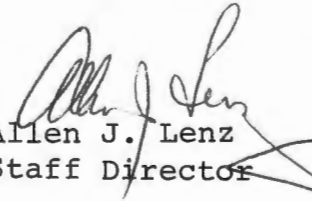
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However, if the Romanians are not forthcoming on this issue and do not provide the required assurances, MFN should not be renewed and our trade agreement with Romania would lapse. It is unlikely, though, that even this improbable contingency would significantly damage overall U.S.-Romanian relations or considerably alter Romania's foreign policy. (C)

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Allen J. Lenz
Staff Director

Auth: NSC Waiver 8/6/10
BY RW NADA DATE 11/31/17

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MAY 11 4:01
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WASHFAX RECEIPT
THE WHITE HOUSE



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SUSPENSE

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MESSAGE NO. 337

CLASSIFICATION CONFIDENTIAL

NO. PAGES 1

FROM LEAD

(NAME)

(Extension)

(Room Number)

MESSAGE DESCRIPTION MFN RENEWAL

TO (Agency)

DELIVER TO:

Dept/Room No.

Extension

STATE

BREMER

REMARKS:

For Comment, Due Date 12 May 81



5/11 w/Pipes for
Action

2445
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SUSPENSE

NATIONAL SECURITY COUNCIL

11 May 1981

SITROOM:

Pls. LDX to L. Paul Bremer, III
Executive Secretary
Department of State

for comments

Due date: Noon 12 May 1981

Thanks,
H. West
NSC/S
X3724

SUSPENSE

FYI

Mr. Papis made
changes in paras 3+4.

MEMORANDUM

2445

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~

ACTION

May 15, 1981

MEMORANDUM FOR RICHARD V. ALLEN

FROM: PAULA DOBRIANSKY (PD)

SUBJECT: The Jackson-Vanik Amendment to the Trade Act of 1974 (Hungary, Romania, People's Republic of China) (C)

The memorandum from you to the President at Tab I endorses Secretary of State Haig's recommendations that MFN status be renewed with Romania, Hungary and the People's Republic of China. Your justification of MFN renewal hinges upon:

- The fact that emigration from Romania to the United States has increased considerably. (In 1980, more than 2,800 persons emigrated from Romania to the United States which is roughly seven-times the pre-MFN level of emigration and almost twice the 1979 level.)
- The Hungarian government's compliance in dealing with emigration issues in accordance with the terms set forth in the Jackson-Vanik Amendment. (A large number of Hungarians seeking to emigrate have been able to do so without undue difficulty.)
- The People's Republic of China continued commitment to facilitate free emigration. (Specifically, over 3,400 immigrant visas were issued in 1980.) (C)

OMB concurs with the NSC Staff recommendation. Richard Pipes also concurs with the above. (U)

RECOMMENDATION

That you forward the memorandum to the President at Tab I. (U)

Approve _____ Disapprove _____

Tab I Memorandum to the President
A - Presidential Determination
B - Letter to the Congress
C - Memorandum from Secretary Haig

~~CONFIDENTIAL~~

Review on May 13, 1987

NSC Waiver 8/6/10
RW 1/31/17

7



~~CONFIDENTIAL~~

THE WHITE HOUSE

WASHINGTON

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: RICHARD V. ALLEN

SUBJECT: The Jackson-Vanik Amendment to the Trade Act of 1974 (C)

The Most Favored Nation waiver for Hungary, Romania and the People's Republic of China is up for renewal. Section 402 of the Trade Act of 1974 prohibits the granting of most favored nation treatment with any nonmarket economy country which imposes restrictions on emigration. The Jackson-Vanik Amendment grants you the authority to waive prohibition of MFN renewal if you determine that a waiver will foster freer emigration from the country concerned and if you receive appropriate assurances from the country. (C)

You will be justified in extending the MFN waiver, as Hungary, Romania and the PRC have attempted to comply with the terms of the Jackson-Vanik Amendment. Specifically, Romanian emigration to the U.S. has increased considerably. In 1980, more than 2,800 persons emigrated from Romania to the U.S. which is approximately seven times the pre-MFN level of emigration and almost twice the 1979 level. Both Hungary and the PRC have also continued their efforts to facilitate freer emigration. A large number of Hungarians seeking to emigrate have been able to do so without undue difficulty and over 3,400 immigrant visas were issued in 1980 from the PRC. (C)

You should be aware there might be some Congressional opposition to your recommendation, particularly in regard to Romania. However, it is doubtful Congress will block waiver authority extension for Romania or the other two countries. (C)

MFN constitutes a fundamental element in our political/economic relations with these countries. Thus, by renewing MFN status you will be contributing to the further expansion of our bilateral relations with each. Therefore, I am in agreement with Al Haig's recommendation at Tab C that MFN status be renewed with Romania, Hungary and the People's Republic of China. (C)

OMB concurs with the NSC staff recommendations. (U)

RECOMMENDATION

That you execute the attached determination (Tab A); that you sign the letter to Congress (Tab B) transmitting your recommendation for extension of waiver authority and submit both documents to Congress before June 3. (U)

Approve _____

Disapprove _____

~~CONFIDENTIAL~~

Review on May 15, 1987

DECLASSIFIED

Authority NSC Waiver 8/16/10
BY kw NARA DATE 1/31/17

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THE WHITE HOUSE
WASHINGTON

Presidential Determination
No. _____

MEMORANDUM FOR THE SECRETARY OF STATE

SUBJECT: Determination under Subsection 402(d)(5)
and (d)(5)(C) of the Trade Act of 1974 --
Continuation of Waiver Authority

Pursuant to the authority vested in me under the Trade Act of 1974 (Public Law 93-618, January 3, 1975; 88 Stat. 1978) (hereinafter "the Act"), I determine, pursuant to Subsections 402(d)(5)(C) of the Act, that the further extension of the waiver authority granted by Subsection 402(c) of the Act will substantially promote the objectives of Section 402 of the Act. I further determine the continuation of the waivers applicable to the Socialist Republic of Romania, the Hungarian People's Republic and the People's Republic of China will substantially promote the objectives of Section 402 of the Act.

This determination shall be published in the Federal Register.

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B

DRAFT

THE WHITE HOUSE

TO THE CONGRESS OF THE UNITED STATES:

In accordance with subsection 402(d)(5) of the Trade Act of 1974, I transmit herewith my recommendation for a further 12-month extension of the authority to waive subsections (a) and (b) of section 402 of the Act.

I include as part of my recommendation my determination that further extension of the waiver authority, and continuation of the waivers applicable to the Socialist Republic of Romania, the Hungarian People's Republic, and the People's Republic of China will substantially promote the objectives of section 402.

This recommendation also includes my reasons for recommending the extension of waiver authority and for my determination that continuation of the three waivers currently in effect will substantially promote the objectives of section 402.

RONALD REAGAN

THE WHITE HOUSE

June , 1981

RECOMMENDATION FOR EXTENSION OF WAIVER AUTHORITY

I recommend to the Congress that the waiver authority granted by subsection 402(c) of the Trade Act of 1974 (hereinafter "the Act") be further extended for twelve months. Pursuant to subsection 402(d)(5) of the Act, I have today determined that further extension of such authority, and continuation of the waivers currently applicable to the Socialist Republic of Romania, the Hungarian People's Republic, and the People's Republic of China will substantially promote the objectives of section 402 of the Act. My determination is attached to this Recommendation and is incorporated herein.

The general waiver authority conferred by section 402 (c) of the Act is an important means for the strengthening of mutually beneficial relations between the United States and certain countries of Eastern Europe and the People's Republic of China. The waiver authority has permitted us to conclude and maintain in force bilateral trade agreements with Romania, Hungary, and the People's Republic of China. These agreements are fundamental elements in our political and economic relations with those countries, including our important productive exchanges on human rights and emigration matters. Moreover, continuation of the waiver authority might permit future expansion of our bilateral relations with other countries now subject to subsection 402(a) and (b) of the Act, should circumstances permit. I believe that these considerations clearly warrant this recommendation for expansion of the general waiver authority.

I also believe that continuing the current waivers applicable to Romania, Hungary and the People's Republic of China will substantially promote the objectives of section 402 of the Act.

Romania - Emigration from Romania to the United States has increased substantially since the waiver has been in effect. In 1980, more than 2,800 persons emigrated from Romania to the United States. This is nearly seven times the pre-MFN level of emigration and almost twice the 1979 level. Continuation of the waiver will also contribute to maintaining a framework for dialogue with the Romanian Government on emigration procedures, emigration to Israel, binational marriages, and other humanitarian problems.

Hungary - In March 1978 the Hungarian Government stressed to the U.S. Government that it intended to deal with emigration matters in a responsible and humanitarian way. Since that time the actions of Hungarian authorities

have been consistent with this policy. A large majority of Hungarians seeking to emigrate are able to do so without undue difficulty. Very few problem cases arise, and U.S. officials are able to discuss these constructively with the Hungarian Government. Most problem cases ultimately are favorably resolved.

People's Republic of China - During the past year, China has continued its commitment to open emigration, exemplified by its undertaking in the September 1980 U.S.-China Consular Convention to facilitate family reunification. Our posts in China issued over 3,400 immigrant visas in FY-1980, and over 12,800 nonimmigrant visas for business, study and family visits. More than 5,000 Chinese now have come to the United States since 1979 for long term study and research. As has been the case for the past several years, the numerical limits imposed on entry to the U.S. by our immigration law continue to be a more significant impediment to immigration from China than Chinese Government exit controls. The Chinese Government is aware of our interest in open emigration, and extension of the waiver will encourage the Chinese to maintain its present travel and emigration policies.

In light of these considerations, I have determined that continuation of the waivers applicable to Romania, Hungary, and the People's Republic of China will substantially promote the objectives of section 402 of the Act.

800


THE SECRETARY OF STATE

WASHINGTON

~~CONFIDENTIAL~~

May 1, 1981

MEMORANDUM FOR: THE PRESIDENT

From: Alexander M. Haig, Jr. 

Subject: Recommendation to Congress for Extension of Jackson-Vanik Waiver Authority

The Jackson-Vanik waivers for Romania, Hungary, and the People's Republic of China, and the three related trade agreements establishing nondiscriminatory ("MFN") trade treatment, are important elements in our overall relations towards Eastern Europe and the People's Republic of China. Section 402 of the Trade Act of 1974 prohibits the granting of most favored nation treatment, or of government financing or credits, or the conclusion of trade agreements, with any nonmarket economy country which imposes restrictions on emigration. The Jackson-Vanik Amendment authorizes the President to waive these prohibitions if he determines that waivers will promote the objective of freer emigration from the country concerned and if he receives appropriate assurances from that country. The Trade Act requires that you recommend to Congress each year that this waiver authority be continued.

Section 402 (d) (5) of the Trade Act of 1974 requires that you recommend extension of your waiver authority to Congress by June 3. If you do not, the existing waivers for Romania, Hungary and the People's Republic of China (PRC), and your authority to extend MFN to those countries will lapse and our trade agreements will have to be suspended.

Our trade agreements with the PRC, Hungary and Romania have encouraged an enormous expansion of trade, which has been particularly beneficial to U.S. exporters. The agreements have also helped us to obtain better treatment for U.S. businessmen and have facilitated the handling of the relatively few trade disputes which have arisen.

Perhaps most importantly, these three accords, together with eligibility for MFN, are the most important elements of our overall relations with the PRC, Hungary and Romania. A termination of MFN eligibility for any of these countries would be a serious setback in our bilateral relationship without any resultant benefit for the U.S.

~~CONFIDENTIAL~~

GDS-4/20/87

DECLASSIFIED
Authority State Waiver 11/6/15
BY RW NARA DATE 11/31/17

~~CONFIDENTIAL~~

-2-

In response to your recommendation, either House of Congress may terminate either the general waiver authority or particular waivers. We anticipate some Congressional opposition to your recommendation, particularly concerning Romania. In spite of an increase in emigration from Romania, there is some sentiment in Congress that the overall human rights situation there does not merit continuation of MFN. We do not expect significant opposition with regard to China, although there may be some Congressional concern over growth in imports from China in import sensitive industries. We do not presently expect that Congress will block waiver authority extension for any of the countries concerned.

As required by the Trade Act, the attached draft Recommendation to Congress explains the value of the Jackson-Vanik waiver authority in our economic and political relations with Eastern Europe and the PRC. It also explains the reasons for determining that continuation of the three existing waivers will promote the objective of freer emigration from Romania, Hungary and the PRC.

Recommendation:

That you execute the attached Determination, approve the attached Recommendation for Extension of Waiver Authority, and transmit both documents to Congress before June 3.

Approve _____ Disapprove _____

Attachments:

1. Transmittal Message
2. Recommendation for Extension
3. Presidential Determination

~~CONFIDENTIAL~~

THE WHITE HOUSE

Presidential Determination
No. _____

MEMORANDUM FOR

THE SECRETARY OF STATE

SUBJECT:

Determination under Subsection 402(d)
(5) and (d)(5)(C) of the Trade Act of
1974 -- Continuation of Waiver Authori

Pursuant to the authority vested in me under the Trade Act of 1974, (Public Law 93-618, January 3, 1975; 88 Stat. 1978) (hereinafter "the Act"), I determine, pursuant to Subsections 402(d)(5) and (d)(5)(C) of the Act, that the further extension of the waiver authority granted by Subsection 402(c) of the Act will substantially promote the objectives of Section 402 of the Act. I further determine the continuation of the waivers applicable to the Socialist Republic of Romania, the Hungarian People's Republic and the People's Republic of China will substantially promote the objectives of Section 402 of the Act.

This determination shall be published in the Federal Register.

DRAFT

THE WHITE HOUSE

TO THE CONGRESS OF THE UNITED STATES:

In accordance with subsection 402(d)(5) of the Trade Act of 1974, I transmit herewith my recommendation for a further 12-month extension of the authority to waive subsections (a) and (b) of section 402 of the Act.

I include as part of my recommendation my determination that further extension of the waiver authority, and continuation of the waivers applicable to the Socialist Republic of Romania, the Hungarian People's Republic, and the People's Republic of China will substantially promote the objectives of section 402.

This recommendation also includes my reasons for recommending the extension of waiver authority and for my determination that continuation of the three waivers currently in effect will substantially promote the objectives of section 402.

RONALD REAGAN

THE WHITE HOUSE

June , 1981

RECOMMENDATION FOR EXTENSION OF WAIVER AUTHORITY

I recommend to the Congress that the waiver authority granted by subsection 402(c) of the Trade Act of 1974 (hereinafter "the Act") be further extended for twelve months. Pursuant to subsection 402 (d) (5) of the Act, I have today determined that further extension of such authority, and continuation of the waivers currently applicable to the Socialist Republic of Romania, the Hungarian People's Republic, and the People's Republic of China will substantially promote the objectives of section 402 of the Act. My determination is attached to this Recommendation and is incorporated herein.

The general waiver authority conferred by section 402 (c) of the Act is an important means for the strengthening of mutually beneficial relations between the United States and certain countries of Eastern Europe and the People's Republic of China. The waiver authority has permitted us to conclude and maintain in force bilateral trade agreements with Romania, Hungary, and the People's Republic of China. These agreements are fundamental elements in our political and economic relations with those countries, including our important productive exchanges on human rights and emigration matters. Moreover, continuation of the waiver authority might permit future expansion of our bilateral relations with other countries now subject to subsection 402 (a) and (b) of the Act, should circumstances permit. I believe that these considerations clearly warrant this recommendation for expansion of the general waiver authority.

I also believe that continuing the current waivers applicable to Romania, Hungary and the People's Republic of China will substantially promote the objectives of section 402 of the Act.

Romania - Emigration from Romania to the United States has increased substantially since the waiver has been in effect. In 1980, more than 2,800 persons emigrated from Romania to the United States. This is nearly seven times the pre-MFN level of emigration and almost twice the 1979 level. Continuation of the waiver will also contribute to maintaining a framework for dialogue with Romanian Government on emigration procedures, emigration to Israel, binational marriages, and other humanitarian problems.

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In light of these considerations, I have determined that continuation of the waivers applicable to Romania, Hungary, and the People's Republic of China will substantially promote the objectives of section 402 of the Act.

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~

May 22, 1981

INFORMATION

MEMORANDUM FOR: RICHARD V. ALLEN
FROM: PAULA DOBRIANSKY (P)
SUBJECT: Romanian Jewish Emigration to Israel

Attached at Tab I for your information is a memorandum from State regarding Romanian emigration to Israel. This memorandum was prompted by a discussion between Deputy Assistant Secretary Jack Scanlan and Richard Pipes, at which time Scanlan said he would task State to write a brief study on Jewish emigration from Romania providing background, statistics, etc. Several clarifying and informational points need to be made in conjunction with State's memorandum. (C)

1. There is a split in the Jewish assessment of the state of Jewish emigration to Israel and on the wisdom of not renewing MFN with Romania. Evidently, Jack Spitzer of B'nai B'rith endorses renewal of MFN for it will financially benefit those Jews living in Romania, whereas nonrenewal might induce the government to harass the Romanian Jews. However, Jacob Birnbaum, Director for the Center for Russian and East European Jewry contends that this view is not representative of the American Jewish Community. Instead, the Community wants MFN used as firm leverage to secure significant, positive changes in Jewish emigration from Romania. (C)

2. In the 10th Semiannual Report to the CSCE Commission, it is stated that there is no appreciable overall improvement in the Romanian emigration record. Specifically, it states "Romania does not recognize the right of emigration, and local governmental and party bodies discourage applications, with would-be applicants often harassed starting from the time they make known their intention to emigrate and throughout the cumbersome process of obtaining exit permission." Moreover, a backlog of several hundred Jewish applicants who have waited three months or more for emigration continues to exist. Some cases are even several years old. Lastly, the reasons set forth by State for the current static rate of Jewish emigration are reasons espoused by the Romanian authorities. (C)

3. According to Embassy Bucharest, the NATO Embassies in Bucharest have had and continue to have serious problems with exit visas issued by the Romanian Government to qualified Romanian (Jewish/non-Jewish) emigrants. Subsequently, the NATO Embassies, with the exception of The Netherlands and the U.S. are proposing a joint demarche outlining the difficulty and requesting the Romanians find an appropriate solution. (C)

~~CONFIDENTIAL~~

Review May 22, 1987.

DECLASSIFIED

Authority: NSC Waiver 8/6/10
BY: RW NARA DATE 1/30/17

DEPARTMENT OF STATE

Washington, D. C. 20520

~~CONFIDENTIAL~~

May 19, 1981

MEMORANDUM FOR MR. RICHARD V. ALLEN
THE WHITE HOUSE

Subject: Romanian Jewish Emigration to Israel

At the outbreak of World War II there were 800,000 Romanian Jews; 400,000 survived the Holocaust. In the post-war period well over 300,000 emigrated to Israel making them the largest group of East European Jews to have settled in Israel since its establishment in 1948.

Romanian Jewish emigration to Israel over the past decade has risen and fallen off again. If the current rate for the first quarter of this year is maintained, slightly more than 1,000 Jews can be expected to immigrate to Israel this year. (Annual totals for the entire decade are shown on the attached sheet.)

Today an estimated 33,000 Jews live in Romania, of whom 60% are over 55. The majority of these people are cared for by the Romanian Federation of Jewish Communities, led by Chief Rabbi Moses Rosen, financed mainly by contributions from the American Joint Distribution Committee. (The 33,000 figure is Rabbi Rosen's estimate; the Romanian census shows 25,000; Jacob Birnbaum, Director for the Center for Russian and East European Jewry, claims perhaps 60,000 based on extrapolation from Romanian census and Israeli immigration figures.)

Romanian Jewish emigration to Israel dropped markedly from 4,132 in 1974 to 2,008 in 1975, the year Romania first got MFN. Because emigration continued to drop (1,989 in 1976; 1,334 in 1977) and because of the Jackson-Vanik amendment which linked MFN to emigration, the Conference of Presidents of Major American Jewish Organizations in 1978 expressed reservations about continuing MFN for Romania. But after a joint understanding was reached with the Romanian Government in July 1979 establishing procedures the Romanian Government would follow on Jewish emigration, the Conference of Presidents endorsed renewal of MFN.

The understanding provides a mechanism which identifies those who wish to emigrate to Israel and the date they applied for passports. Instead of vague and often widely differing claims of how many people wanted to emigrate, it is now possible to be more specific.

As of May 14, there were 573 Jews who had registered their intention with the Romanian Jewish Federation to emigrate to Israel and were awaiting approval. Of these, 148 have been waiting over a year.

~~CONFIDENTIAL~~

GDS 5/18/87

DECLASSIFIED

Authority: State Waiver 11/6/15
BY: *HW* NARA DATE 1/31/17

~~CONFIDENTIAL~~

-2-

The President of B'nai B'rith International, Jack Spitzer, met last month with President Ceausescu, Deputy Prime Minister and Minister of Foreign Trade Burtica, and Foreign Minister Andrei, and he raised the emigration question. Spitzer told the Romanian government leaders he would best be able to support MFN for Romania if he obtains the right answers and if people were treated fairly in the emigration process. Mr. Spitzer told us he considers it extremely important that Romania retain its MFN status.

The Department and our Embassy have followed the issue of Jewish emigration carefully. The Embassy has kept in close contact with Rabbi Rosen, the Israeli Embassy, the Romanian Ministry of Foreign Affairs and the Ministry of Interior (responsible for passport issuance). We have discreetly urged the Romanian Government to act more quickly on pending cases -- recognizing that as a matter of policy the Romanian Government is generally opposed to emigration. Romanian Jews are not treated more harshly than other Romanian passport applicants; to the contrary. It is true, however, that the procedures take a long time and there often is personal hardship.

Two years experience have led the major Jewish organizations to conclude that:

- the number of departures has increased only marginally, and
- Romanian emigration procedures, including the complicated "double application" system, which applies to every Romanian regardless of ethnic or other affiliation, result in long delays. (The system requires the individual first to submit a written application for the emigration application forms, which must be submitted subsequently in order to obtain a passport and exit permission.)

- On the other hand, as Rabbi Rosen has noted, all Jews who register with his Federation are permitted to emigrate eventually, and in the interim their interests can be supported by the United States, Israel and Jewish organizations. Neither of these conditions had obtained prior to the Joint Understanding.

As both the Romanian authorities and Rabbi Rosen suggest, it is natural that emigration rates should fall somewhat since the Jewish population is dwindling and aging and a number of those remaining do not wish to emigrate.

The leaders of the major American Jewish groups, including B'nai B'rith, believe that the continuation of MFN is necessary for the well being of the remnant Jewish community in Romania,

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

-3-

and establishes the necessary context in which to work out continuing problems in the emigration area. The major Jewish groups have told us they will continue to work within the context of our relations with Romania provided by MFN to encourage more expeditious emigration.

John H. Kelly
for L. Paul Bremer, III
Executive Secretary

Attachment:

Romanian Jewish Emigration Statistics

~~CONFIDENTIAL~~

ROMANIAN JEWISH EMIGRATION TO ISRAELApproximate Annual Totals

1971	1,900
1972	3,000
1973	4,000
1974	3,700
1975	2,000
1976	2,000
1977	1,330
1978	1,143
1979	1,984
1980	1,061

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~

April 28, 1981

ACTION

MEMORANDUM FOR: JAMES LILLEY
THROUGH: RICHARD PIPES *RS*
FROM: PAULA DOBRIANSKY *PD*
SUBJECT: Renewal of Romania's MFN Status

Romania's MFN status is coming up for renewal in the next month. There is opposition to MFN renewal because Romania has not lived up to the 1979 joint understanding on Romanian emigration to Israel. That is, Jewish emigration from Romania has been significantly reduced from approximately 4,000 in 1974 to roughly 1,000 in 1980. Currently, American Jewish organizations are lobbying Congress to pressure Romania to comply with the 1979 understanding or deny MFN renewal. (C)

RECOMMENDATION

We should make certain that the Romanians recognize the potential threat to the MFN hearings should they fail to fully implement the 1979 understanding and restore Jewish emigration to its level of 1974. Specifically, we should call for favorable action on the cases of the 500 Romanian Jews who desire to leave and whose names appear on the list of the Romanian Federation of Jewish Organizations, and we should secure a monthly Jewish emigration range of 250-350 persons. (C)

~~CONFIDENTIAL~~

Review April 28, 1987.

DECLASSIFIED

Authority *NSC Waiver 8/6/10*
BY *RW* NARA DATE *1/31/17*

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL

May 27, 1981

28

TO: RICHARD V. ALLEN

The attached memorandum on MFN renewal with Romania is a bit lengthy -- but it sets forth necessary information which you may or may not be aware of due to package No. 2445 revisions over time. It provides the essential background points you questioned at the Staff Meeting the broader policy considerations and an unconditional recommendation to extend waiver authority. Additionally, a recommendation is set forth that the President seek assurances at some point from the Romanians to improve their emigration practices -- but not by explicitly linking our concerns with MFN. (C)

Allen Lenz also sent you a memo recommending that MFN renewal with Hungary not be affected by the FMC Corporation dispute with Hungary. (C)

Paula Dobriansky *PD*

~~CONFIDENTIAL~~

DECLASSIFIED

Authority *NSC Waiver 8/6/17*
BY *RW* NARA DATE *1/21/17*

DECLASSIFIED

RW amended
DATE 11, 2006
1/21/17

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~

May 27, 1981

29

ACTION

MEMORANDUM FOR: RICHARD V. ALLEN

FROM: PAULA DOBRIANSKY *PD*

SUBJECT: MFN Renewal with Romania

In assessing the renewal of Romania's MFN waiver, both the state of Romania's emigration policy and the broader policy considerations must be analyzed. (C)

Background

- a. State of Romanian Emigration: To the U.S. -- more than 2,800 persons emigrated which is seven times the pre-MFN level. Jewish emigration to Israel -- decreased from approximately 4,000 in 1974 to roughly 1,000 in 1980. (State/Jewish organizations concur on these figures.) (U)
- b. Assessment of Romanian Emigration Procedures/Policy: There is considerable disagreement over how restrictive Romanian emigration policies are. This dispute stems from a lack of consensus on how many Jews there are in Romania and what percentage want to emigrate.
 - State estimates roughly 40,000 Romanian Jews; the Romanian census totals 25,000; the Center for Russian and East European Jewry maintains there are 60-70,000 Jews of whom only one half are officially registered as Jews.
 - The Romanian Government attributes the decrease in Jewish emigration to the decrease in the total number of Jews in Romania and to the large percentage of elder persons who do not desire to leave. State concurs with this assessment while the Center for Soviet and East European Jewry vehemently disagrees. The Center attributes the drop in emigration to Romanian repressive emigration procedures which intimidate potential emigrants.
 - All agree that Romania's emigration practices are repressive. Applications for emigration are discouraged, applicants are harassed from the time they decide to emigrate, and emigration procedures are cumbersome and time consuming. Currently, there is a backlog of 1,800 pending emigration cases.
 - The Romanian Government has not lived up to the 1979 understanding it made with the American Jewish community (which was intended to formalize and expedite the registration process). (C)

~~CONFIDENTIAL~~

Review May 27, 1987.

DECLASSIFIED
 Authority NSC Waiver 816110
 BY *RW* 1/31/17

Stances on MFN Renewal

- a. Congressional Position: Jackson's office supports MFN renewal. It appears that significant Congressional opposition is unlikely.
- b. Jewish Community: There exists no unanimity. The Center for Soviet and East European Jewry supports conditional renewal (only if assurances or an arrangement is granted by the Romanians). However, the major Jewish organizations B'nai B'irth, American Jewish Council, and the Conference of Presidents of major American Jewish Organizations advocate MFN renewal; yet, they hope the President will seek firm assurances from the Romanians to comply with the terms of Jackson-Vanik and to increase Jewish emigration from Romania.
- c. Agencies: Commerce/State support MFN renewal.
- d. NSC Staff: Dobriansky, Lenz, Nau, Pipes, Poats -- support MFN renewal. (U)

Broad Policy Considerations

- Israel does not want the U.S. to exert direct pressure on Romania in regard to Jewish emigration since it values highly its constructive relationship with Romania.
- The U.S. has been a frequent beneficiary of an independent Romanian foreign policy. Thus, it is clearly in the U.S.'s interest to continue maintaining a cordial relationship with Romania.
- As the Administration has not yet announced its policy toward Eastern Europe, other East European countries could perceive MFN non-renewal as a harbinger of worsened U.S.-Romanian relations and strained overall U.S. relations with Eastern Europe.
- Non-renewal could also send the wrong signals to Western Europe and thwart Alliance backing of our anti-Soviet policies. That is, by avoiding potential deterioration in our relations with Eastern Europe, we will be better enabled to secure West European support of our policies vis-a-vis the USSR. (C)

Proposed Recommendations

In light of the above considerations, I recommend that MFN with Romania be unconditionally renewed. However, given the lack of Romanian compliance with the 1979 understanding, I would suggest the President, in his next letter to President Ceausescu or by other means indicate our concern with Romanian emigration

practices without directly linking the issue of MFN. That is, concrete Romanian assurances to improve and streamline the emigration procedures which would essentially reduce harassment and establish a timeframe for emigration should be sought. Since Foreign Minister Andrei already gave Secretary of State Haig general assurances to improve Romanian emigration practices, the President would be in a good position to pursue this discussion of assurances in more concrete terms. (C)

RECOMMENDATION

That the President seek assurances from Romania for improved emigration procedures without explicit linkage to MFN. (C)

Approve _____ Disapprove _____

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL

Romania
MFN

May 27, 1981

32

TO: RICHARD V. ALLEN

The attached memorandum on MFN renewal with Romania is a bit lengthy -- but it sets forth necessary information which you may or may not be aware of due to package No. 2445 revisions over time. It provides the essential background points you questioned at the Staff Meeting the broader policy considerations and an unconditional recommendation to extend waiver authority. Additionally, a recommendation is set forth that the President seek assurances at some point from the Romanians to improve their emigration practices -- but not by explicitly linking our concerns with MFN. (C)

Allen Lenz also sent you a memo recommending that MFN renewal with Hungary not be affected by the FMC Corporation dispute with Hungary. (C)

Paula Dobriansky ^{PD}

~~CONFIDENTIAL~~

DECLASSIFIED

Sec. 3.4(b), E.O. 12958, as amended
White House Guidelines, Sept. 11, 2006
BY NARA RW DATE 1/31/17

DECLASSIFIED

Authority NSC Waiver 8/16/10
BY RW DATE 1/31/17

MEMORANDUM

NATIONAL SECURITY COUNCIL

33

~~CONFIDENTIAL~~

May 27, 1981

ACTION

MEMORANDUM FOR: RICHARD V. ALLEN

FROM: PAULA DOBRIANSKY *PD*

SUBJECT: MFN Renewal with Romania

In assessing the renewal of Romania's MFN waiver, both the state of Romania's emigration policy and the broader policy considerations must be analyzed. (C)

Background

- a. State of Romanian Emigration: To the U.S. -- more than 2,800 persons emigrated which is seven times the pre-MFN level. Jewish emigration to Israel -- decreased from approximately 4,000 in 1974 to roughly 1,000 in 1980. (State/Jewish organizations concur on these figures.) (U)
- b. Assessment of Romanian Emigration Procedures/Policy: There is considerable disagreement over how restrictive Romanian emigration policies are. This dispute stems from a lack of consensus on how many Jews there are in Romania and what percentage want to emigrate.
 - State estimates roughly 40,000 Romanian Jews; the Romanian census totals 25,000; the Center for Russian and East European Jewry maintains there are 60-70,000 Jews of whom only one half are officially registered as Jews.
 - The Romanian Government attributes the decrease in Jewish emigration to the decrease in the total number of Jews in Romania and to the large percentage of elder persons who do not desire to leave. State concurs with this assessment while the Center for Soviet and East European Jewry vehemently disagrees. The Center attributes the drop in emigration to Romanian repressive emigration procedures which intimidate potential emigrants.
 - All agree that Romania's emigration practices are repressive. Applications for emigration are discouraged, applicants are harassed from the time they decide to emigrate, and emigration procedures are cumbersome and time consuming. Currently, there is a backlog of 1,800 pending emigration cases.
 - The Romanian Government has not lived up to the 1979 understanding it made with the American Jewish community (which was intended to formalize and expedite the registration process). (C)

~~CONFIDENTIAL~~

Review May 27, 1987.

DECLASSIFIED

Authority *NSC Waiver 8/6/10*
 BY *RLW* NARA DATE *1/31/17*

Stances on MFN Renewal

- a. Congressional Position: Jackson's office supports MFN renewal. It appears that significant Congressional opposition is unlikely.
- b. Jewish Community: There exists no unanimity. The Center for Soviet and East European Jewry supports conditional renewal (only if assurances or an arrangement is granted by the Romanians). However, the major Jewish organizations B'nai B'irth, American Jewish Council, and the Conference of Presidents of major American Jewish Organizations advocate MFN renewal; yet, they hope the President will seek firm assurances from the Romanians to comply with the terms of Jackson-Vanik and to increase Jewish emigration from Romania.
- c. Agencies: Commerce/State support MFN renewal.
- d. NSC Staff: Dobriansky, Lenz, Nau, Pipes, Poats -- support MFN renewal. (U)

Broad Policy Considerations

- Israel does not want the U.S. to exert direct pressure on Romania in regard to Jewish emigration since it values highly its constructive relationship with Romania.
- The U.S. has been a frequent beneficiary of an independent Romanian foreign policy. Thus, it is clearly in the U.S.'s interest to continue maintaining a cordial relationship with Romania.
- As the Administration has not yet announced its policy toward Eastern Europe, other East European countries could perceive MFN non-renewal as a harbinger of worsened U.S.-Romanian relations and strained overall U.S. relations with Eastern Europe.
- Non-renewal could also send the wrong signals to Western Europe and thwart Alliance backing of our anti-Soviet policies. That is, by avoiding potential deterioration in our relations with Eastern Europe, we will be better enabled to secure West European support of our policies vis-a-vis the USSR. (C)

Proposed Recommendations

In light of the above considerations, I recommend that MFN with Romania be unconditionally renewed. However, given the lack of Romanian compliance with the 1979 understanding, I would suggest the President, in his next letter to President Ceausescu or by other means indicate our concern with Romanian emigration

practices without directly linking the issue of MFN. That is, concrete Romanian assurances to improve and streamline the emigration procedures which would essentially reduce harassment and establish a timeframe for emigration should be sought. Since Foreign Minister Andrei already gave Secretary of State Haig general assurances to improve Romanian emigration practices, the President would be in a good position to pursue this discussion of assurances in more concrete terms. (C)

RECOMMENDATION

That the President seek assurances from Romania for improved emigration procedures without explicit linkage to MFN. (C)

Approve _____ Disapprove _____

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~

May 29, 1981

PD X
36INFORMATION

MEMORANDUM FOR: RICHARD V. ALLEN

FROM: PAULA DOBRIANSKY PD

SUBJECT: Romanian Emigration to Israel (Follow-up)
(Reference Log. No. 2445)

In response to the questions you set forth on my informational memorandum (Tab I) regarding Romanian Jewish emigration to Israel, I have already forwarded you a memorandum dated May 27, providing background, policy considerations and recommendations (Tab II). The bottom line is that MFN should be renewed with Romania but the President at some point should seek assurances from the Romanians to improve their emigration practices, but without explicit linkage to MFN. (C)

As I indicated in my earlier memorandum (Tab II), the Romanians have not appreciably improved their overall emigration record. Yet, due to a lack of concrete figures on the number of Jews residing in Romania and desiring to emigrate and the broad policy considerations (negative effect on U.S.-Romanians relations and possibly our relations with other East European countries, Jewish support of MFN, prospective minimal Congressional opposition), I would recommend unconditional renewal of MFN with Romania. (C)

Today, Jacob Stein informed me that the Jewish Community urges the President, in sending his message to Congress, to note the less than full compliance with agreements on exit visas. However, I believe it would be best not to make this issue public at this time, but to initially resort to quiet diplomacy given our various exchanges with Romania thus far (i.e., Kampelman/Baldrige visits to Bucharest, Foreign Minister Andrei's visit to Washington), and the assurances we have extended. (C)

As I recommended in my memorandum to you of May 27 (Tab II), the President, in a letter to Ceausescu, should seek assurances from the Romanian Government that they comply with the 1979 understanding which would streamline the emigration process by reducing harassment and establishing a three-month timeframe for exit visas. By securing their compliance to formalize the emigration procedures, we could better determine how many Romanian Jews are interested in emigrating. (C)

~~CONFIDENTIAL~~

Review May 29, 1987.

DECLASSIFIED

Authority: NSC Waiver 8/6/10
BY: RW DATE: 1/31/17

However, if the President is unable to secure assurances from the Romanians through quiet diplomacy, we can always consider as a manifestation of our resolve, subsequent measures or possibly non-MFN extension next June. (C)

Attachments:

Tab I	Information memorandum to you dated May 22
Tab II	Action memorandum to you dated May 27

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~

May 22, 1981

38

INFORMATION

MEMORANDUM FOR: RICHARD V. ALLEN

FROM: PAULA DOBRIANSKY *PD*

SUBJECT: Romanian Jewish Emigration to Israel

DECLASSIFIED
Authority: NSC Waiver 8/6/10
BY: *ku* NARA DATE 1/30/17

Attached at Tab I for your information is a memorandum from State regarding Romanian emigration to Israel. This memorandum was prompted by a discussion between Deputy Assistant Secretary Jack Scanlan and Richard Pipes, at which time Scanlan said he would task State to write a brief study on Jewish emigration from Romania providing background, statistics, etc. Several clarifying and informational points need to be made in conjunction with State's memorandum. (C)

1. There is a split in the Jewish assessment of the state of Jewish emigration to Israel and on the wisdom of not renewing MFN with Romania. Evidently, Jack Spitzer of B'nai B'rith endorses renewal of MFN for it will financially benefit those Jews living in Romania, whereas nonrenewal might induce the government to harass the Romanian Jews. However, Jacob Birnbaum, Director for the Center for Russian and East European Jewry contends that this view is not representative of the American Jewish Community. Instead, the Community wants MFN used as firm leverage to secure significant, positive changes in Jewish emigration from Romania. (C)

2. In the 10th Semiannual Report to the CSCE Commission, it is stated that there is no appreciable overall improvement in the Romanian emigration record. Specifically, it states "Romania does not recognize the right of emigration, and local governmental and party bodies discourage applications, with would-be applicants often harassed starting from the time they make known their intention to emigrate and throughout the cumbersome process of obtaining exit permission." Moreover, a backlog of several hundred Jewish applicants who have waited three months or more for emigration continues to exist. Some cases are even several years old. Lastly, the reasons set forth by State for the current static rate of Jewish emigration are reasons espoused by the Romanian authorities. (C)

If this is so, we should take another look.

3. According to Embassy Bucharest, the NATO Embassies in Bucharest have had and continue to have serious problems with exit visas issued by the Romanian Government to qualified Romanian (Jewish/non-Jewish) emigrants. Subsequently, the NATO Embassies, with the exception of The Netherlands and the U.S. are proposing a joint demarche outlining the difficulty and requesting the Romanians find an appropriate solution. (C)

~~CONFIDENTIAL~~

Review May 22, 1987.

*What's the bottom line?
What's the recommendation?*



DEPARTMENT OF STATE

Washington, D.C. 20520

~~CONFIDENTIAL~~

May 19, 1981

39

MEMORANDUM FOR MR. RICHARD V. ALLEN
THE WHITE HOUSE

Subject: Romanian Jewish Emigration to Israel

At the outbreak of World War II there were 800,000 Romanian Jews; 400,000 survived the Holocaust. In the post-war period well over 300,000 emigrated to Israel making them the largest group of East European Jews to have settled in Israel since its establishment in 1948.

Romanian Jewish emigration to Israel over the past decade has risen and fallen off again. If the current rate for the first quarter of this year is maintained, slightly more than 1,000 Jews can be expected to immigrate to Israel this year. (Annual totals for the entire decade are shown on the attached sheet.)

Today an estimated 33,000 Jews live in Romania, of whom 60% are over 55. The majority of these people are cared for by the Romanian Federation of Jewish Communities, led by Chief Rabbi Moses Rosen, financed mainly by contributions from the American Joint Distribution Committee. (The 33,000 figure is Rabbi Rosen's estimate; the Romanian census shows 25,000; Jacob Birnbaum, Director for the Center for Russian and East European Jewry, claims perhaps 60,000 based on extrapolation from Romanian census and Israeli immigration figures.)

Romanian Jewish emigration to Israel dropped markedly from 4,132 in 1974 to 2,008 in 1975, the year Romania first got MFN. Because emigration continued to drop (1,989 in 1976; 1,334 in 1977) and because of the Jackson-Vanik amendment which linked MFN to emigration, the Conference of Presidents of Major American Jewish Organizations in 1978 expressed reservations about continuing MFN for Romania. But after a joint understanding was reached with the Romanian Government in July 1979 establishing procedures the Romanian Government would follow on Jewish emigration, the Conference of Presidents endorsed renewal of MFN.

The understanding provides a mechanism which identifies those who wish to emigrate to Israel and the date they applied for passports. Instead of vague and often widely differing claims of how many people wanted to emigrate, it is now possible to be more specific.

As of May 14, there were 573 Jews who had registered their intention with the Romanian Jewish Federation to emigrate to Israel and were awaiting approval. Of these, 148 have been waiting over a year.

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GDS 5/18/87

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Authority State Waiver 11/6/15
BY RW NAPAONE 1/31/17

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-2-

The President of B'nai B'rith International, Jack Spitzer, met last month with President Ceausescu, Deputy Prime Minister and Minister of Foreign Trade Burtica, and Foreign Minister Andrei, and he raised the emigration question. Spitzer told the Romanian government leaders he would best be able to support MFN for Romania if he obtains the right answers and if people were treated fairly in the emigration process. Mr. Spitzer told us he considers it extremely important that Romania retain its MFN status.

The Department and our Embassy have followed the issue of Jewish emigration carefully. The Embassy has kept in close contact with Rabbi Rosen, the Israeli Embassy, the Romanian Ministry of Foreign Affairs and the Ministry of Interior (responsible for passport issuance). We have discreetly urged the Romanian Government to act more quickly on pending cases -- recognizing that as a matter of policy the Romanian Government is generally opposed to emigration. Romanian Jews are not treated more harshly than other Romanian passport applicants; to the contrary. It is true, however, that the procedures take a long time and there often is personal hardship.

Two years experience have led the major Jewish organizations to conclude that:

- the number of departures has increased only marginally, and
- Romanian emigration procedures, including the complicated "double application" system, which applies to every Romanian regardless of ethnic or other affiliation, result in long delays. (The system requires the individual first to submit a written application for the emigration application forms, which must be submitted subsequently in order to obtain a passport and exit permission.)
- On the other hand, as Rabbi Rosen has noted, all Jews who register with his Federation are permitted to emigrate eventually, and in the interim their interests can be supported by the United States, Israel and Jewish organizations. Neither of these conditions had obtained prior to the Joint Understanding.

As both the Romanian authorities and Rabbi Rosen suggest, it is natural that emigration rates should fall somewhat since the Jewish population is dwindling and aging and a number of those remaining do not wish to emigrate.

The leaders of the major American Jewish groups, including B'nai B'rith, believe that the continuation of MFN is necessary for the well being of the remnant Jewish community in Romania,

~~CONFIDENTIAL~~

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-3-

and establishes the necessary context in which to work out continuing problems in the emigration area. The major Jewish groups have told us they will continue to work within the context of our relations with Romania provided by MFN to encourage more expeditious emigration.

John H. Kelly
for L. Paul Bremer, III
Executive Secretary

Attachment:
Romanian Jewish Emigration Statistics

~~CONFIDENTIAL~~

ROMANIAN JEWISH EMIGRATION TO ISRAEL

Approximate Annual Totals

1971	1,900
1972	3,000
1973	4,000
1974	3,700
1975	2,000
1976	2,000
1977	1,330
1978	1,143
1979	984
1980	1,061

May 27, 1981

43

TO: RICHARD V. ALLEN

The attached memorandum on MFN renewal with Romania is a bit lengthy -- but it sets forth necessary information which you may or may not be aware of due to package No. 2445 revisions over time. It provides the essential background points you questioned at the Staff Meet the broader policy considerations and an unconditional recommendation to extend waiver authority. Additionally, a recommendation is set forth that the President seek assurances at some point from the Romanians to improve their emigration practices -- but not by explicitly linking our concerns with MFN. (C)

Allen Lenz also sent you a memo recommending that MFN renewal with Hungary not be affected by the FMC Corporation dispute with Hungary. (C)

Paula Dobriansky PD

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DECLASSIFIED
Sec. 3.4(b), E.O. 12958, as amended
When does this become public? Oct. 11, 2008
BY NARA *fw* DATE 1/31/17

DECLASSIFIED
Authority *NSC waiver 8/10/10*
BY *fw* NARA DATE 1/31/17

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~

May 27, 1981

44

ACTION

MEMORANDUM FOR: RICHARD V. ALLEN
FROM: PAULA DOBRIANSKY *PD*
SUBJECT: MFN Renewal with Romania

In assessing the renewal of Romania's MFN waiver, both the state of Romania's emigration policy and the broader policy considerations must be analyzed. (C)

Background

- a. State of Romanian Emigration: To the U.S. -- more than 2,800 persons emigrated which is seven times the pre-MFN level. Jewish emigration to Israel -- decreased from approximately 4,000 in 1974 to roughly 1,000 in 1980. (State/Jewish organizations concur on these figures.) (U)
- b. Assessment of Romanian Emigration Procedures/Policy: There is considerable disagreement over how restrictive Romanian emigration policies are. This dispute stems from a lack of consensus on how many Jews there are in Romania and what percentage want to emigrate.
 - State estimates roughly 40,000 Romanian Jews; the Romanian census totals 25,000; the Center for Russian and East European Jewry maintains there are 60-70,000 Jews of whom only one half are officially registered as Jews.
 - The Romanian Government attributes the decrease in Jewish emigration to the decrease in the total number of Jews in Romania and to the large percentage of elder persons who do not desire to leave. State concurs with this assessment while the Center for Soviet and East European Jewry vehemently disagrees. The Center attributes the drop in emigration to Romanian repressive emigration procedures which intimidate potential emigrants.
 - All agree that Romania's emigration practices are repressive. Applications for emigration are discouraged, applicants are harassed from the time they decide to emigrate, and emigration procedures are cumbersome and time consuming. Currently, there is a backlog of 1,800 pending emigration cases.
 - The Romanian Government has not lived up to the 1979 understanding it made with the American Jewish community (which was intended to formalize and expedite the registration process). (C)

~~CONFIDENTIAL~~

Review May 27, 1987.

DECLASSIFIED

Authority *NSL Waiver 8/6/10*
BY *RW* NARA DATE *1/31/17*

Stances on MFN Renewal

- a. Congressional Position: Jackson's office supports MFN renewal. It appears that significant Congressional opposition is unlikely.
- b. Jewish Community: There exists no unanimity. The Center for Soviet and East European Jewry supports conditional renewal (only if assurances or an arrangement is granted by the Romanians). However, the major Jewish organizations B'nai B'irth, American Jewish Council, and the Conference of Presidents of major American Jewish Organizations advocate MFN renewal; yet, they hope the President will seek firm assurances from the Romanians to comply with the terms of Jackson-Vanik and to increase Jewish emigration from Romania.
- c. Agencies: Commerce/State support MFN renewal.
- d. NSC Staff: Dobriansky, Lenz, Nau, Pipes, Poats -- support MFN renewal. (U)

Broad Policy Considerations

- Israel does not want the U.S. to exert direct pressure on Romania in regard to Jewish emigration since it values highly its constructive relationship with Romania.
- The U.S. has been a frequent beneficiary of an independent Romanian foreign policy. Thus, it is clearly in the U.S.'s interest to continue maintaining a cordial relationship with Romania.
- As the Administration has not yet announced its policy toward Eastern Europe, other East European countries could perceive MFN non-renewal as a harbinger of worsened U.S.-Romanian relations and strained overall U.S. relations with Eastern Europe.
- Non-renewal could also send the wrong signals to Western Europe and thwart Alliance backing of our anti-Soviet policies. That is, by avoiding potential deterioration in our relations with Eastern Europe, we will be better enabled to secure West European support of our policies vis-a-vis the USSR. (C)

Proposed Recommendations

In light of the above considerations, I recommend that MFN with Romania be unconditionally renewed. However, given the lack of Romanian compliance with the 1979 understanding, I would suggest the President in his next letter to President Ceausescu or by other means indicate our concern with Romanian emigration

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practices without directly linking the issue of MFN. That is, concrete Romanian assurances to improve and streamline the emigration procedures which would essentially reduce harassment and establish a timeframe for emigration should be sought. Since Foreign Minister Andrei already gave Secretary of State Haig general assurances to improve Romanian emigration practices, the President would be in a good position to pursue this discussion of assurances in more concrete terms. (C)

46

RECOMMENDATION

That the President seek assurances from Romania for improved emigration procedures without explicit linkage to MFN. (C)

Approve _____ Disapprove _____

~~CONFIDENTIAL~~

Dilemma for Bucharest

Romania Acts to Keep People From Emigrating, But It Has a Stake in Appearing Liberal on Issue

By FREDERICK KEMPE

Staff Reporter of THE WALL STREET JOURNAL

BUCHAREST, Romania—Leonte Rautu is a Communist's Communist.

From his days in exile in Moscow as a member of Romania's illegal Communist Party during World War II right up until this August, when he had served more than 30 years on Romania's highest governing body, the Political Executive Committee, his life had been devoted to the cause.

At the age of 73, Mr. Rautu might indeed have expected to retire as a Communist hero. Instead, he was ousted in disgrace last month for failings as a Communist father: He had been unable to dissuade his daughter from joining the growing ranks of disaffected Romanians seeking to leave the country for good.

Thus, Comrade Rautu's last service to the cause was to serve as Exhibit A in a government campaign to halt the rising tide—some call it a flood—of emigration requests pouring in on Western embassies in Bucharest.

Says a West European diplomat here: "They could have quietly pensioned Rautu and no one would have asked why. But instead the old man was picked out as an example to the nation."

An Implied Threat

The implied threat is that other Romanians, especially those in party positions, could face punishment should their offspring or another close relative apply to leave Romania, the country with the lowest living standards and strictest internal controls of any in Eastern Europe, including the Soviet Union.

The reasons for the new emigration surge are varied: to escape from Romania's steadily deteriorating economic conditions; a search for greater professional opportunities or more freedom of artistic expression; a desire for freedom to practice an inherited religion. Whatever the reason, the Romanian government doesn't want to countenance it.

Romania, President Nicolae Ceausescu has said, "must take an intransigent attitude" toward "the worthless traitors, those who desert their country."

"We must do everything possible," he went on, "so that the entire people, especially the youth, understand that they can find a better life not by looking elsewhere for a few silver coins more, but by working and struggling to overcome difficulties in their homeland."



A First in Candor

Never has a Communist leader so openly admitted that his nation had a problem of too many people wanting to leave, and never has a Communist country waged so public a war against would-be emigres.

Romania must, however, settle for this sort of propaganda assault. It cannot economically or politically afford to slam the emigration gate shut.

That's because it must, theoretically at least, permit emigration to the U.S. if it is to continue to enjoy the most-favored-nation status it won from the U.S. in 1975. And Romania realizes that this status has allowed trade between the two countries to nearly quadruple to an expected \$1.2 billion this year.

Similarly, Mr. Ceausescu allows many thousands of ethnic Germans to emigrate to West Germany each year, in large degree because West Germany is Romania's most important Western trading partner and supplier of advanced equipment and machinery.

Still another reason for allowing some continued emigration is Romania's search for world approval. It hopes to host the next East-West conference on progress under the Helsinki Pact, and it knows that too rough a clampdown on emigration will reduce its chances of doing that.

Thousands Go to Germany

All these factors help explain why the number of Romanians granted permission to leave the country significantly increased in 1980. Some 16,000 ethnic Germans left for West Germany, compared with 11,000 in 1979. More than 2,800 Romanians emigrated to the United States, almost double the 1979 level and seven times the number before the most-favored-nation agreement. Another 1,061 were given permission to emigrate to Israel, 100 more than the year before. Due to steady emigration over the years, the Jewish population in Romania has declined from more than 400,000 right after World War II to 35,000 now, and Romanians have become one of the largest ethnic groups in Israel.

"The Romanians have performed quite well as regards emigration," concedes one Western observer. In fact, U.S. government officials are reported to be considering asking Congress to make Romania's most-favored-nation status, which currently must be renewed each year, a more permanent one, with reviews every three or four years.

The number of those allowed to emigrate tells only one part of the story. It doesn't tell the number of those who want to leave but haven't been able to, and that number has been steadily swelling to what one Romanian official concedes to be "abnormal proportions." Moreover, treatment of those who apply to emigrate appears to be growing worse week by week, part of the anti-emigration campaign that has been intensifying all summer.

Backlog Grows

The backlog of ethnic Germans awaiting permission to leave the country is now estimated at 60,000 to 70,000. The United States embassy says it knows of more than 5,000 Romanians who would like to move to America, and it is believed that virtually all of the 35,000 Jews still in Romania want to leave. Between 250 and 500 Romanians wanting to emigrate line up each day at the West German consulate, and the U.S. consulate registers 250 to 400 new applications each week.

Says the Western diplomat quoted earlier, "The greatest disease in Romania today is the mad desire to get out."

Applicants may have to wait anywhere from three months to years before they can actually leave. Diplomatic specialists estimate that more than 75% of the applicants will sooner or later either lose their jobs or significant amounts of pay as punishment. Since the public campaign against emigration has picked up steam, there has been increased harassment of would-be emigrants at the workplace, and threats of reprisals against family members are being reported.

If a Romanian citizen is eventually permitted to leave, he must turn his home and property over to the state. If he has spent less than two years in his profession, he must repay the state for what it spent educating him.

"A Matter of Principle"

"We try to discourage immigration as a matter of principle," the foreign-ministry official says. "We can't solve Romania's problems by moving Romanians out. As a member of the World Bank once said, development requires a sort of military discipline, sacrifice and unity of command."

A random sample of those who, nonetheless, are trying to leave for the U.S., and why:

—Gabriel Neagu, 35, is a linguist and was an assistant lecturer at the University of Bucharest until he applied to emigrate more than two years ago. Within weeks, he received a letter of dismissal from the university saying he was "no longer ideologically fit to teach students."

Last November, the local police threatened that if he didn't find another job, he would be arrested for "living a parasitic life." All he was offered was a position as an unskilled laborer in an aluminum factory, where he makes earthen molds and files the rough edges off finished products. "I make them pleasant to the touch," he says bitterly.

Mr. Neagu, an articulate and witty raconteur with a daunting command of English, has been offered a position as lecturer at New York University. "I resent being considered a traitor," he says. "I merely want to improve myself. I want my doctorate in linguistics."

Doctor Loses Post

—Daniel Constantinescu, 47, is a senior consultant at a cardiology clinic in Bucharest. He also is a member of a long-established fundamentalist religion in Romania called "Christians According to the Gospel." Says Dr. Constantinescu, "I don't want my children to be raised in a godless country."

Three years ago, Dr. Constantinescu worked for three months in South Africa with Dr. Marcius Barnard, the brother of the famous Christiaan Barnard. Dr. Marcius Barnard and other physicians have appealed

to U.S. Congressmen to support Dr. Constantinescu's emigration request. Meanwhile, however, he has been stripped of his title as chief of cardiology and has been moved to other areas of the clinic where he has no expertise.

—Mihaela Farcas, Dr. Constantinescu's sister, and her husband are members of the same fundamentalist religion. She has been fired from her post as schoolteacher. Her husband, Viorel, is a sculptor whose best works haven't found buyers. "The only possible purchaser of art is the state," says Mrs. Farcas, "and it only wants works that enhance political awareness."

—Nicu Trifu, 27, is an architect and an artist, regarded by his colleagues as a man of extraordinary talent. After he applied to emigrate, his architect's pay was reduced by 20%, and he was dispatched to a construction site for a month of "volunteer labor." The Communist youth association, to which most young Romanians belong, branded him as a "cow with dollars." Says Mr. Trifu: "I don't want to throw mud on my country. Romania should be proud I want to improve myself. Instead, it calls me a traitor."

All who apply to emigrate dread the arrival of yet another blue envelope—the Ministry of Interior rejection slip that means that the excruciating application process must be started all over again. Mr. Neagu has received eight, Mr. Constantinescu and his sister together have received 15, and Mr. Trifu has just received his third.

Mr. Neagu has written 160 letters of appeal to government officials and sent 20 telegrams directly to President Ceausescu. "They have destroyed my career and stopped me halfway to the United States," he says. "I don't know what to do."

Satellite's Squeeze

Romania Is Rethinking Its Independent Stance As Economy Sputters

Curtailed Credit From West, Food and Oil Shortages Play Into Russia's Hands

Dissent vs. Ceausescu's Grip

By FREDERICK KEMPE

Staff Reporter of THE WALL STREET JOURNAL

BUCHAREST—For nearly 14 years, Romanian President Nicolae Ceausescu has been a pain in the Soviets' geographic underside.

His foreign policies have been just the opposite of those that make a good comrade: Since his vicious censure of the Soviet invasion of Czechoslovakia in 1968, he has remained steadfastly aloof from the Eastern Bloc crowd.

Romania recognizes the "imperialist" Chinese as Communist brothers; it maintains diplomatic relations with Israel; it is a member of the "capitalist" International Monetary Fund, and it resolutely refuses to send its soldiers to any Warsaw Pact war games.

Mr. Ceausescu won't even let Soviet troops trudge across Romanian soil en route to maneuvers in Bulgaria on the far southern flank—they must take a Black Sea ferry instead.

Costly Policies

However, to the Soviets' smug satisfaction, times are changing for the renegade Romanians. "He hasn't yet compromised his principles," says a West European diplomat in Bucharest, "but there is a serious change of atmosphere. On anything that vitally affects the Soviet Union, the Romanians think three times before acting."

The reasons for this sudden caution and silence are clear. Straying from the Socialist fold has been costly for Romania. It must pay world level prices for its oil while Communist neighbors more faithful to Moscow get bargain deals from the Soviets. It has surrendered Soviet markets for its goods because of its independent line, while its often substandard products have had difficulty cracking Western markets.

The results have been daunting both to Romania's international standing and its economy. The nation incurred a \$2.4 billion balance-of-payments deficit in 1980, and it owes more than \$9 billion to the West. Capitalist bankers, wary of another Polish-style payments crisis, have turned the credit spigot to a trickle.

Prison for Hoarding

Meanwhile, shortages within Romania have become endemic, and food lines have swollen to Polish proportions. Last weekend, Romania became the second Soviet Bloc country after Poland to ration food. Romanians will be allowed a little less than a pound of bread and other flour-based products a

stable—will be restricted to about five pounds a month.

Romania also recently made the increasing practice of food hoarding a criminal offense punishable by imprisonment.

The worsening economy leaves Mr. Ceausescu with a nasty dilemma: Should Romania move closer economically to the Soviets and risk its free political hand? Or should it stay on its relatively autonomous, but expensive, course and gamble that someday it will pay off?

A political analyst at a Western embassy in Bucharest says: "We are all nervously watching trading patterns. The Romanians have decided to increase trade with Socialist countries at the expense of the West. The question is how much further they will go and what the Soviets will ask in return."

For the Soviets, Romania's economic troubles provide an important chance to



bring one renegade satellite into closer orbit at a time when Poland is getting out of control. For the U.S., the Romanian decision could be costly both economically and politically.

Romania has become the largest U.S. export market in Eastern Europe. Two-way trade has nearly tripled in the past five years and will reach more than \$1.2 billion this year. Politically, Romania's relatively free-wheeling foreign policy keeps the Soviet Bloc from being able to sing out in loud, Communist harmony on world events.

Soviet Oil Sales

Romania was once the only Socialist voice opposing the integration of East European economies. Now, Mr. Ceausescu wants to double the number of trade agreements with countries in the Community for Mutual Economic Assistance, or Comecon—the Soviets' 10-nation economic group.

Furthermore, Romanian-Soviet trade, which expanded only 7% between 1976 and 1980, is scheduled to double between 1981 and 1985. But what Romania watchers are most anxious about is the amount of oil the Soviets sell to the Romanians, because the commodity provides the Soviets their greatest leverage to influence Romania.

Until 1976, Romania covered its domestic needs entirely from its own production. Since then, however, its oil output has fallen steadily—from a peak of 107.3 million barrels in 1976 to last year's level of 44 million barrels—while consumption has steadily increased. Romania needs some 277 million barrels of oil each year, more than 183 million barrels of that to fuel the vital petrochemical factories that provide Romania's largest export industry and hard-currency earner.

The Central Intelligence Agency estimates that Romania will run out of oil within 10 years at present production levels, a fate Romanian officials and some Western

through better recovery methods and new finds in the Black Sea. These officials and analysts concede, however, that Romania has permanently become an oil importer. In 1979, for the first time in its history, it bought oil from the Soviets—2.9 million barrels. Then in 1980 it bought an additional 11 million barrels. These amounts are relatively small, and the Soviets still require Romania to pay the full world market price in hard currency. But negotiations for further deliveries are mentioned regularly in the Romanian press.

One foreign-ministry official insists that "this is sound economic policy. Why import from overseas when we have it closer to us here? If West Germany isn't afraid to be dependent on Soviet gas, it would be ludicrous for us to worry about Soviet oil. I think it makes good business sense to deal more with the Soviets?"

But does it make political sense?

President Ceausescu must be careful that he doesn't appear in the eyes of his countrymen to be bowing to the Soviets. The Romanians are proud of their unique role and

often tell Westerners how different they—with their Latin-based language and their Balkan-European mentality—are from the Slavic Soviets.

In Romania, a nation of 22 million people, the red and white signs praising the Soviets, so familiar elsewhere in Eastern Europe, are tellingly absent. Instead, there are ubiquitous pictures of Mr. Ceausescu and posters singing the praises of him and the Romanian Communist Party.

Mr. Ceausescu, 63 years old, gained most of his popularity in 1968 after the Soviet invasion of Czechoslovakia, when he warned that Romanians would fight if the Russians tried the same there.

Now, however, he is growing increasingly unpopular among Romanians, who suffer the lowest living standard in all of Eastern Europe, including the Soviet Union, and live under the strictest internal-security apparatus in the Soviet bloc.

"If Ceausescu conspicuously bows to the Soviets," says one West European diplomat here, "he would be risking what's left of his popularity. The intellectuals have always been skeptical of him, but now even the man on the street is reacting with declining enthusiasm."

Shortages in Romania are rampant and are said to be the worst since the 1950s. People line up to buy such basic products as cheese, eggs, meat and sometimes even bread. In the capital, many join lines without even knowing what is at the end.

Western observers in Romania nevertheless scoff at speculation that another Polish-style uprising is in the wind. Romania, they argue, has never had a Roman Catholic Church that served as a rallying point for the de facto opposition in Poland, nor does it

have Poland's history of worker protest and intellectual dissent.

Perhaps most important, though, Mr. Ceausescu's authoritarian grip chokes all opposition before it takes life.

Western diplomats here report recent isolated disciplinary problems in factories, but the only major reported strike was in the Jiu Valley coal mines in 1977. The World Confederation of Labor, based in Brussels, complains that all the leaders of that strike were either transferred to other parts of the country, interned, beaten or killed in

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Satellite's Squeeze: Romania Rethinks Autonomy As Economy Falters and Reliance on Russia Increases

Mr. Ceausescu knows his strict domestic control is one of the factors that have made the Soviets tolerate his independent foreign policy. Just as Hungary has been permitted by Moscow to build a nonconformist market economy because it is faithful to the Soviet political line, so has Romania been able to have its renegade foreign policy because of its agreeable domestic policies.

"Ceausescu might cause the Soviets some headaches," says the West European diplomat, "but he controls the country." With Poland in a shambles, that will be an important consideration for Moscow. But with a worsening cold war, Moscow might also be far less willing to allow Romania its previous political freedom.

Mr. Ceausescu is already facing serious disagreements with members of his ruling political executive committee over economic policy. His solution thus far has been simply to oust dissenters.

In the past year, Mr. Ceausescu has fired a number of top officials, including the ministers of finance and agriculture, and he often replaces the departing officials with personal aides.

One London banker asserts that Roman-

ia's financial problems have been partly caused by incompetent managers. "They aren't chosen for their abilities to run an economy, but by their willingness to agree with Ceausescu."

Nevertheless, Western observers believe the Romanian leader is under growing pressure from within the party leadership to draw even closer to the Soviets, because in the pro-Russia view past policies haven't worked.

But, Romanians who want to continue their relatively autonomous policies argue that Romania has gained international respect, most-favored-nation status in trade with the U.S. (in 1975), trade concessions from the European Community and IMF membership. Until 1976, it also had 10% to 12% economic growth rates almost every year.

"If it hadn't been for the economic bad luck of the world recession and the oil-price crisis, we would have continued to have the highest growth rates in Eastern Europe," maintains one Bucharest economist.

Even so, those in favor of keeping as many doors open to the West as possible plead for more Western understanding. They appreciate most-favored-nation status but are bitter about the annual renewal, which involves a review of their human-rights performance. They say a longer arrangement would create more longer-term trade agreements with the U.S.

Moreover, they say, lower U.S. interest rates would give them more breathing room, and fewer Western trade barriers would allow them to improve their balance of payment.

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Table 1.

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ESTIMATED EAST EUROPEAN EXPORTS TO U.S. 1985
(millions of dollars)

<u>Country</u>	<u>1981 Actual</u>	<u>1985 Without MFN</u>	<u>1985 With MFN</u>
Bulgaria	34	52	86
Czechoslovakia	67	70	108
GDR	48	80	105

Source: U.S. Dept. of Commerce Staff Papers

Table 2. 1981 EXPORTS OF EAST EUROPEAN COUNTRIES TO U.S.
(millions of dollars)

<u>Countries Receiving MFN</u>		<u>Countries Not Receiving MFN</u>	
Hungary	128	Bulgaria	34
Poland	365	Czechoslovakia	67
Romania	560	GDR	48
TOTAL	1053		149

Table 3. U.S. SHARE OF IW MANUFACTURED IMPORTS FROM
EASTERN EUROPE - 1979
(value in millions of dollars; share as percentage)

<u>Countries Receiving MFN</u>			<u>Countries Not Receiving MFN</u>		
	<u>\$ Million</u>	<u>Share</u>		<u>\$ Million</u>	<u>Share</u>
Hungary	82	5.9	Bulgaria	7	2.3
Poland	251	11.2	Czechoslovakia	83	2.6
Romania	252	16.6	GDR	31	1.2

Source: U.S. Dept. of Commerce Trade Trends

Table 4. GROWTH OF EAST EUROPEAN EXPORT TO U.S. FOLLOWING
EXTENSION OF MFN (millions of dollars)

<u>Country</u>	<u>Date of MFN</u>	<u>Year</u>	<u>Exports to U.S.</u>
Poland	Dec. 1960	1960	39
		1961	41
		1962	46
		1963	43
		1966	66
		1968	97
		1971	107
		1975	259
		1979	426
Romania	July 1975	1975	155
		1976	199
		1977	233
		1978	347
		1979	329
		1980	312
		1981	560
Hungary	July 1978	1978	68
		1979	112
		1980	107
		1981	128

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Table 5. 1981 U.S. EXPORTS TO EAST EUROPEAN COUNTRIES
(millions of dollars)

<u>Countries Receiving MFN</u>		<u>Countries Not Receiving MFN</u>	
Hungary	78	Bulgaria	258
Poland	681	Czechoslovakia	82
Romania	503	GDR	296
TOTAL	1262	TOTAL	636

Table 6. U.S. SHARE OF IW MANUFACTURED EXPORTS TO
EASTERN EUROPE - 1979
(value in millions of dollars; share as percentage)

<u>Countries Receiving MFN</u>			<u>Countries Not Receiving MFN</u>		
	<u>\$ Million</u>	<u>Share</u>		<u>\$ Million</u>	<u>Share</u>
Hungary	53	2.5	Bulgaria	11	1.2
Poland	105	2.6	Czechoslovakia	31	1.6
Romania	102	3.8	GDR	23	0.7

Note: IW-Industrialized West, which includes the EC plus Austria, Canada, Finland, Japan, Norway, Sweden, Switzerland and U.S.

Table 7. ESTIMATED U.S. EXPORTS TO EAST EUROPE - 1985
(millions of dollars)

<u>Country</u>	<u>1981 Actual</u>	<u>1985 Without MFN</u>	<u>1985 With MFN</u>
Bulgaria	258	260	330
Czechoslovakia	82	215	301
GDR	296	620	730

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