

June 26, 1985

WHY ROMANIA NO LONGER DESERVES TO BE A MOST FAVORED NATION

INTRODUCTION

"We were outfoxed." This is how David Funderburk, the recent United States Ambassador to Romania, describes U.S. relations with that Soviet bloc country. Funderburk's charges are very serious. Bucharest has enjoyed special treatment from Washington for decades, ostensibly as a reward for improving the human rights condition of Romanians and for pursuing a foreign policy independent of the line that Moscow imposes on the rest of Eastern Europe. It is now, however, the judgment of Funderburk and an increasing number of experts that while the U.S. has lived up to its part of the deal and granted Bucharest generous credit and trade benefits, Bucharest has reneged on its part. The past decade, for instance, has seen steady deterioration rather than improvement of Romanian human rights. Emigration remains carefully controlled and very restricted. And Romania's claim of following an independent foreign policy is an elaborate charade.

In short, for two decades the U.S. has been swindled in its bargain with Romania. It thus is time to rethink this deal. The place to start is with the Most Favored Nation (MFN) trade status, which Romania has enjoyed with the U.S. since 1975, something of enormous economic and symbolic benefit to Bucharest. The Reagan Administration should reverse a policy that has failed to improve the lot of Romanians or to help the U.S. diplomatically. The Administration should ask Congress to deny Romania Most Favored Nation privileges now that MFN is up for its annual review.

ROMANIA'S RECORD

Romania's human rights record is among the worst in the Soviet bloc, surpassed perhaps only by the USSR itself. The regime persecutes religious believers; it uses psychiatric hospitals for

political purposes; censorship is ubiquitous; free labor unions are totally forbidden. The situation has deteriorated seriously since MFN was granted in 1975. Jeri Laber, Executive Director of the U.S. Helsinki Watch Committee, for instance, told the House Foreign Affairs Subcommittee on Human Rights and International Organizations in 1982 that his Committee's "reports are becoming increasingly difficult to compile because reliable information about events in Romania is becoming increasingly scarce. Romania is a closed society."

To be sure, since 1962 when Romania first resisted pressure to integrate with the Communist bloc economies completely under Soviet control, Bucharest has appeared to be something of a maverick in foreign affairs. It has made overtures to China; it maintains relations with Israel; it sent its team to the 1984 Los Angeles Olympics. These gestures of seeming independence from the USSR, however, must be balanced against such other factors as: Romania is believed to reexport to the USSR American goods whose sale to Moscow is banned; Romania has been campaigning for increased Soviet presence in the Middle East negotiations; and the Romanian secret service, the CIE, is totally integrated within the Soviet KGB.

In fact, according to former CIE Deputy Director and special advisor to President Nicolae Ceausescu, General Ion Mihai Pacepa, who defected to the U.S. in 1978, all significant information gathered by the CIE is offered directly to the KGB. Pacepa also estimates that "of the Romanian trade personnel abroad (in 1978), 70 percent were intelligence officers....Every cooperative or joint venture with Western companies is intensively used to infiltrate to the West numerous intelligence officers and agents, for the purpose of illegally obtaining Western technology."¹

The Soviet presence in Romania, meanwhile, is much more extensive than some State Department officials are willing to admit. U.S. Ambassador Funderburk, for example, has testified that by checking schools, registries, and license plates the U.S. Embassy in Romania found "an ungodly number" of Soviets--including Soviet agents in factories monitoring Romanian exports to the Soviet Union.²

And now comes the revelation that some 20,000 Bibles sent by the World Reformed Alliance to the Hungarian Reformed Church in Romania were turned into toilet paper. This is one more insult to Romanian citizens who are virtually forbidden to practice their various religions.

1. I. M. Pacepa and Michael Ledeen, "Romania Reaps Rewards of Hi-Tech Thefts," Human Events, March 16, 1985.

2. The Washington Post, May 15, 1985.

WHY MFN STATUS FOR ROMANIA?

In 1962, Romania surprised the international community by refusing to become fully integrated with the Council for Mutual Economic Assistance (COMECON) of the Soviet bloc. Because of its domestic energy resources, Romania apparently felt that it could develop a policy somewhat different from Moscow's. The leadership hoped to gain some support from a population not only deeply anti-Russian but basically anti-communist.³

During the 1960s, Ceausescu came to realize that nationalism was a powerful means of gaining popular support. He thus developed a foreign policy with nationalist overtones that deviated on occasion from the Soviet line. This policy was aided at the beginning by a growing economy. But since the 1970s, Romania's energy supplies have been shrinking, and the country now must import oil. In 1983, Romanian oil imports were 12,395,000 tons, and in 1984, 10 million tons, mostly from the Middle East. Prior to 1975 Romania exported to the Soviet Union as much as 4 million tons of oil annually, but now it is seeking to import about 6 million tons from the USSR.⁴ As such, Bucharest no longer is so economically independent of Moscow.

Interpreting Romania's foreign policy moves to be a sign of liberalization, the U.S. in 1975 waived for Romania the section of the 1974 Trade Act known as the Jackson-Vanik Amendment. This amendment prohibits granting MFN treatment, government credits or investment guarantees, or the negotiation of commercial agreements to a communist country that fails to promote human rights, particularly the right to emigrate.⁵ The President may waive the prohibition annually, subject to congressional approval, and extend MFN status to a communist country. Presidents and Congresses have waived the ban on Romania since 1975 and on Hungary since 1978.

3. Robert King, in his History of the Romanian Communist Party (Stanford, California: Hoover Institution Press, 1980), states that the Party's membership in August 1944 was a negligible 1,000.

4. See RFE/RL, Situation Report 5, March 13, 1985, pp. 7-10.

5. A careful reading of the amendment indicates that it was intended to cover more than one particular human right, freedom of emigration. Section 402 of the 1974 Trade Act states its objectives to be "to assure the continued dedication of the United States to fundamental human rights." It then defines the means for achieving these objectives, citing emigration as a condition for the extension of trade benefits. On May 23, 1985, Congressman Mark Siljander (R-MI) introduced H.R. 2596, which would deny MFN status to countries that discriminate on ethnic, cultural, or religious grounds.

The waiver originally was granted to Romania in an effort "to create a viable framework and favorable atmosphere for the development of trade and economic cooperation."⁶ And more recently, another aspect was clarified by Gary Matthews, Deputy Assistant Secretary for Human Rights and Humanitarian Affairs: "This administration and the three preceding it have looked to Romania's relatively independent foreign policy as a significant factor in the evolution of Eastern European relations with the Soviets."⁷ As examples, Matthews lists Romania's dissent from the Soviet line on such Warsaw Pact and COMECON issues as: Romania's Warsaw Pact military participation is more limited than that of other members; it sent a team to the 1984 Olympics; it has maintained diplomatic relations with Israel since 1967; it hosted Israeli Prime Minister Perez in February 1985; its votes in the U.S. General Assembly have diverged more from Soviet positions than those of other Eastern European countries; and it has allowed considerable Jewish emigration.

For such actions, Romania has benefited from U.S. extension of MFN status. Politically, MFN bolsters the image of Ceausescu, one of the Eastern bloc's most ruthless dictators and the only true Stalinist left in power. Economically, total two-way trade between the U.S. and Romania increased from about \$450 million in 1976 to over \$1.21 billion in 1984, though U.S. exports to Romania have held virtually steady from \$249 million in 1976 to \$246 million in 1984. Romania has received U.S. government Export-Import Bank and Commodity Credit Corporation credits to purchase U.S. exports, and is eligible for political risk insurance from the Overseas Private Investment Corporation. U.S. imports provide Romania with products needed to help its disastrous economic situation. These include grains and seeds, coal, electric machinery, chemicals, and cattle hides.

Western economic concessions, however, provide no incentives to Ceausescu to decentralize Romania's economy or to pay heed to the human rights of its citizens. Instead, MFN and other concessions allow him to continue his harsh, repressive policies.

HUMAN RIGHTS SITUATION

"Romania is generally considered to be one of the most egregious human rights offenders in Eastern Europe. Nor has the situation improved over the past few years. A severely deteriorating economy, a

6. Hearings before the Subcommittee on Trade of the Committee on Ways and Means, House of Representatives, June 22 and July 9, 1979, p. 43.

7. Hearings before the House Foreign Affairs Subcommittee on Human Rights and International Organizations, May 14, 1985.

corrupt bureaucracy, an omnipresent secret police network, and the 'cult of personality' surrounding the Ceausescu family have resulted in increasing misery for Romanian citizens." So says the U.S. Helsinki Watch Committee, a nongovernmental organization that monitors human rights, in a May 14, 1985, report to Congress. In every area, Romania disregards international human rights standards and even its own laws. In its 1984 Country Reports on Human Rights Practices, the State Department emphasized that "in the area of human rights major discrepancies persist between Romania's Constitution, law, public pronouncements and international commitments on the one hand, and the civil liberties and human rights actually allowed by the regime on the other."⁸

To stifle dissent, for example, Ceausescu's regime employs such tactics as: beatings, jailing, incarceration in psychiatric hospitals, torture, even political murder. In April 1984, for example, Father Geza Palfi was beaten to death by security police for suggesting that Christmas should not be a workday. Amnesty International continues to receive reports of people who are imprisoned or harassed for the nonviolent exercise of their right to freedom of expression.⁹

Religious Persecution

The State Department knows of many cases of Romanians forbidden from traveling to attend religious gatherings and funerals. The International League for Human Rights cites cases of religious leaders singled out for repression by administrative action.¹⁰ Among them:

- Father Calciu-Dumitreasa, a Romanian Orthodox priest and professor of theology, was released from prison in August 1984, after serving a ten-year sentence for nonviolent human rights activity. Since then he has been placed under virtual house arrest. He is unemployed, deprived of outside contacts, denied a passport, and subject to strict surveillance.

8. Country Reports on Human Rights Practices, Department of State, February 1984, p. 1077. It may be argued, however, that Romanian law does not guarantee any human rights, once the provisos are read in the proper context. See Juliana Geran Pilon, "The Romanian Distinction between Negative and Positive Liberty," Studies in Soviet Thought 23 (1982), pp. 131-140.

9. See the prepared statement of Amnesty International, USA, on Amnesty International's Concerns in Romania, to the House Subcommittee on Human Rights and International Organizations, May 14, 1985.

10. Cited in the Testimony of the International League for Human Rights before the Subcommittee on Human Rights and International Organizations by Nina Shea, Program Director, on May 14, 1985, p. 6.

- Reverend Istvan Tokes, an internationally respected theologian and a senior official of the Hungarian Reformed Church, after strong official pressure, was fired in November 1983 as professor at the Protestant Theological Seminary, and in May 1984 was dismissed from his post as Assistant Bishop. He is under continuing surveillance.

- Felicia Russo has been harassed repeatedly by authorities since she converted to the Pentecostal Church. She was expelled from the university and denied a passport. She now can get only menial jobs for which, church sources report, she is paid approximately \$4 a month.

The League also reports that on April 26, 1985, Reverend Petru Popescu, known for his criticisms of the state's anti-religious policies, disappeared from a train station platform; his whereabouts are unknown. On April 19, Constantin Sfatcu, a Baptist-lay leader was imprisoned for distributing ; Radu Filipescu, a Romanian engineer, is currently in prison for distributing leaflets critical of the regime. These are but a few examples of the routine repression of Romanians attempting to practice their religion.

The latest and perhaps most dramatic example of Romania's blatant disregard for religious liberty is the revelation that some 20,000 Bibles sent by the World Reformed Alliance to the Hungarian Reformed Church in Romania never reached the approximately 1 million church members. Instead the Bibles were sent to the paper mill in Braila to be recycled into toilet paper. Since many original words and letters remained intact, the fate of the Bibles became known in the West.¹¹ Meanwhile, religious believers in Romania are deprived of Bibles in violation of the Helsinki Accords and the peace treaties after World War II.

Nor is the situation likely to improve. For at the 13th Congress of the Romanian Communist Party last November, Ceausescu vowed to "take firm measures against various mystical and obscurantist manifestations." Indeed, the Romanian administrative body dealing with religious matters is known as "the Department of Cults."

Repression of Minorities

The New York-based Committee for Human Rights in Romania has been monitored effectively the increasingly desperate situation of the

11. Further information on Romania's religious persecution may be obtained from Rev. Dr. Alexander Havadtoy, minister at the Calvin Church in Fairfield, Connecticut, and Professor at the Yale University Divinity School.

2.5 million Hungarian nationals in Romania (out of a total population of 20 million).¹² In the past year, all television broadcasting in Hungarian has been stopped. Hungarian schools are being closed. The government routinely assigns Hungarian graduates of universities and trade schools to jobs outside the community, creating an acute shortage of Hungarian teachers and language experts in the Hungarian areas. The persecuted dissident Karol Kiraly summarized the situation of the Hungarian minority in an interview in October 1984:

The atmosphere of terror is beyond description. It permeates every aspect of everyday life. The most arbitrary and extreme measures are taken with respect to education, housing, cultural and religious activities, in total disregard of established laws and regulations. The fear which the secret police has managed to instill in every citizen makes even the simplest act become incredibly risky and complicated. Making a long distance telephone call to Hungary, for example, is itself already considered a suspicious activity.... Distrust is so prevalent that no one dares communicate to anyone. Those who dare to trust someone risk their jobs, their homes or anything they might hold dear.¹³

Emigration: The Dark Story

"Illegal" emigration is forbidden. To attempt it and fail is an offense punishable with up to three years in jail.

Legal emigration has many facets. Since the early 1960s, according to General Pacepa, Ceausescu has been engaged in what amounts to "selling Romanians" as an export commodity.¹⁴ That is, in exchange for emigrants Romania has received from the governments of Israel and West Germany thousands of dollars in cash along with low interest credits issued through the CIE for increased emigration quotas. Since 1972, charges Pacepa, hundreds of millions of dollars have been received for bartering Romanian Jews and Germans behind political scenes and have been deposited in a personal account of Ceausescu, some in the Romanian Foreign Trade Bank, some in Switzerland.

12. See, for example, the extensive testimony of Laszlo Hamos, Chairman of the Committee for Human Rights in Romania, in Hearing of the International Trade Subcommittee of the Senate Committee on Finance, August 8, 1984, pp. 159-239.

13. Shea, op. cit., p. 12.

14. Human Events, p. 225.

The number of Romanians allowed to emigrate to the U.S. is not an accurate indicator of the situation. The figure has grown from 980 in 1975 to 4,545 last year. But many of those allowed to leave reportedly are criminals "dumped" on the U.S., agents instructed to infiltrate the emigre community, or dissidents forcibly exiled. Bona fide emigrants, by contrast, are encountering increased harassment. Inordinate delays are standard. Applicants for permission to emigrate often are fired from their jobs, demoted to lower paying jobs, evicted from their homes or given inadequate housing, or denied medical care and other benefits.¹⁵ Their children, meanwhile, are not allowed to enroll in schools.

The U.S. was ready to deny MFN status in 1983 after Ceausescu announced in November 1982 the possible imposition of an education tax on prospective emigrants to reimburse the state for the cost of educating those seeking to leave. Ronald Reagan announced that MFN status would end if the policy were not canceled. Only days before the deadline, the tax was rescinded. In retrospect, many observers agree with Jeri Laber of the U.S. Helsinki Committee that the controversial tax was likely a ploy. Explains Laber: "By first imposing the education tax and then lifting it, the Romanian government is distracting attention from other impediments to freedom of emigration and from its worsening human rights record in general, things which endangered MFN long before the education tax became an issue."

What is worse, the tax seems to have returned through the back door in the form of bribes. The International League for Human Rights has documented reports of government agents demanding bribes of up to \$3,200 from individuals before they are permitted to emigrate. This is confirmed by Western diplomatic sources. These payments, charges League Program Director Nina Shea, "are a substitute for the Education Tax."

Repression of Workers

The Ceausescu regime tolerates virtually no expression of worker dissatisfaction. In August 1977, a large-scale strike by 35,000 coal miners in the Jiu valley in southwest Romania was swiftly, brutally

15. Over the years, Rabbi Jacob Birnbaum, head of the Center for Russian and East European Jewry in New York, has documented the harassment of Jewish prospective emigrants in particular. He also notes that 1983-1984 saw the resurgence of the rash of anti-Semitic writings in 1980. A long, insidious article in the Communist Youth League newspaper Scinteia Tineretului in April 1983, for example, discusses a Jewish "plot against the specificity of the Romanian spirit." See Senate Hearing, op. cit., August 8, 1984, pp. 153-159 and 476-489.

suppressed. Thousands of workers were fired or sent back to their native villages; the leaders were arrested.¹⁶ An attempt in 1979 to form a Free Trade Union of Romanian Workers was also quickly quashed. According to Amnesty International, two leaders of the movement, Iona Cana and Gheorghe Brasoveanu, were confined to psychiatric institutions, while a third was sentenced to eighteen months imprisonment.¹⁷

A new decree now places those entering the labor force in what amounts to indentured servitude. All are forced to remain at their first assigned jobs for at least five years or forfeit half of the wages. Students are forced to work. Last summer, three million young people were sent into the countryside to help with the harvesting.¹⁸

Censorship

Censorship has been intensified in recent years from its already high level. Because all publications are controlled by the government, Romania may be the only East European country without a samizdat or underground literature. Citizens are required to register their typewriters. These can be confiscated if that is deemed "in the interest of the state." The author of a book critical of the Ceausescu regime, Adevarul (The Truth), was arrested in June 1984. He has not been heard from since.

Assassinations

A critic of the Romanian regime does not escape the long arm of Ceausescu's ire even by exile or emigration. Paul Goma, the dissident writer expelled to France in 1977, was targeted for assassination in 1982. His would-be assassin, Matei Haiducu, revealed to the French secret service the details of his mission. This is not the only such case. In 1980, West Germany arrested a man who spied on Romanian emigrants for Romanian intelligence; in February 1981, parcel bombs were sent to the homes of prominent Romanian exiles in Paris and Cologne, injuring two of them and a police bomb expert; in July 1981, Emil Georgescu, an outspoken Romanian program editor at Radio Free Europe in Munich was stabbed 22 times. Other Radio Free Europe

16. Vladf Georgescu, Istoria Romanilor (The History of the Romanians) (Los Angeles, American Romanian Academy of Arts and Sciences), p. 336. See pp. 310-345 for an excellent summary of Romania's current situation and policies.

17. AI Annual Report 1981 (London), p. 314.

18. RFE/RL Situation Report 7, April 9, 1985, p. 14.

personnel who have been beaten or targeted for assassination include Monica Lovinescu and Sergiu Manoliu.¹⁹

In July 1978 General Ion Pacepa was instructed personally by Ceausescu to conduct secret assassinations by mailing plastic explosives to exiles critical of the Ceausescu regime. Pacepa refused and defected. Since his 1978 defection, he has been the target of at least seven assassination attempts.

The repression of Romanian citizens, even beyond Romania's borders, makes it seem especially inappropriate for the U.S. to bestow preferential MFN status on the Ceausescu regime.

HOW INDEPENDENT OF THE USSR IS ROMANIA?

Romania's political behavior is surely motivated mainly by a need to compensate for domestic economic and human rights shortcomings and to rally some popular support for the ruling Communist Party. Romania's ruthless internal repression, in fact, is a key reason for Moscow's tolerance of Romania's occasional gestures defying the Soviet foreign policy line. According to Romanian-born political science professor Aurel Braun, now of the University of Toronto, Moscow is willing to condone some dissent, provided that the country is governed with an iron, Leninist fist and that the USSR can reap other benefits.²⁰

More important, some of Romania's seemingly independent moves actually may support Moscow's policies. While it is true, for instance, that Ceausescu appeared to have upset Moscow by asserting that no state has the right to intervene in Poland, he also strongly condemned the activities of the Solidarity trade union movement in language echoing Moscow's. And though it has received little attention, Romania approved the imposition of martial law in Poland.

In Middle East matters, Romania also hardly displeases Moscow. Romania supports an international conference organized by the U.N., in which the Soviet Union and the Palestine Liberation Organization would participate. Earlier this year, Ceausescu told The Jerusalem Post that he favored increased Soviet involvement in the Middle East.

Though Romania has yet to exchange ambassadors with Nicaragua, Bucharest was one of the first to recognize Nicaragua's communist

19. See Ion Pacepa's comments on these acts in Le Matin, February 4, 1985.

20. Aurel Braun, Romanian Foreign Policy Since 1970: The Political and Military Limits of Autonomy (New York: Praeger, 1978).

regime. According to a Czechoslovak report, Romania has joined other Warsaw pact countries in sending 28 tons of food and medicine to Nicaragua aboard a Soviet Aeroflot plane.²¹ It is believed that Romania also has sent military aid to Nicaragua.

Romania generally has backed, with political and material aid, Marxist and other radical leftist movements throughout the world.²² This policy, probably motivated by Ceausescu's attempts to become a world leader, suits Moscow very well.

Most dangerous to the U.S. and the West is the integration of the Romanian secret service within the Soviet bloc intelligence services. To be sure, the Romanian CIE no longer technically reports to Moscow. But General Pacepa reports that the CIE has extensive ties to the Soviet KGB. Experts believe that the CIE is a very important ally in the KGB's espionage network, including inside the U.S. In addition, the CIE has secret agreements with the Hungarian, Yugoslav, and Bulgarian secret services for smuggling high technological commercial and military equipment into Romania and for sending drugs and arms abroad. In 1977 and 1978 alone, the Romanians sold Western smugglers more than 200 pounds of narcotics.²³

Romania's voting record at the U.N. is cited by some State Department officials as an example of Bucharest's independence from Moscow. In 1983, for example, while the U.S. and Soviet Union voted together 13.8 percent of the time in the General Assembly, Romania voted with the U.S. 16.3 percent of the time. But in 1984, Moscow actually voted with the U.S. 13.2 percent of the time compared to 10.1 percent for Romania.

In view of its growing economic dependence on the Soviet Union, Romania can be expected to toe the Moscow line even more carefully. Ceausescu has been seeking increased fuel supplies from the Soviet Union. Radio Free Europe researcher Paul Gafton notes that Moscow "seems to be maintaining a deliberate gap between its oil exports and Romania's expectations in this domain, an obvious economic lever aimed at influencing Romania's political behavior."²⁴

The Soviet presence in Romania, meanwhile, apparently is mounting. Reports Ambassador Funderburk:

21. Cetka, August 6, 1979; cited in RFE/RL Situation Report 3, February 8, 1985, p. 7.

22. RFE/RL Situation Report 3, February 8, 1985.

23. Human Events, p. 230.

24. RFE/RL Situation Report 5, March 13, 1985.

Our guys observed a large Soviet presence in Romania that was not welcome news to some officials in Washington. On our own initiative, we looked in registries, checked schools, traced license plates and came up with an ungodly number of resident Soviets, including Soviet agents in factories²⁵ monitoring Romanian exports to the Soviet Union.

Funderburk also cites evidence that Romania has transferred to the Soviet Union technology obtained from the U.S. This is confirmed by Commerce Department officials.

CONCLUSION

At one time, it might have made sense for the U.S. to grant favors to Romania in the hopes of getting something in return. For a decade, however, the U.S. has waited patiently for Bucharest to live up to its end of the deal. Instead, Romania remains probably Eastern Europe's most repressive nation--except for the USSR. Romanian human rights are systematically abused, and emigration is rigidly restricted. Routinely in Romania there are psychiatric incarcerations and torture of political dissidents, harassment of would-be emigrants and religious believers, assassinations, and a fraudulent emigration record that includes a large number of forced exiles, criminals, and agents of the secret police.

Romania's much-touted "independent" road in foreign affairs, meanwhile, is a charade. The Romanian secret service, its high technology espionage efforts, its illegal drug trafficking efforts, are all closely integrated with the KGB. Many of Romania's actions, moreover, directly benefit Moscow, including its attempts to involve the Soviet Union in Middle East negotiations and the reported transfer to the Soviet Union of high technology obtained from the U.S.

As such, the U.S. should start treating Romania as the hard-line Stalinist state that it is. Washington should not enhance the Ceausescu regime by giving it the gift of Most Favored Nation trade status. To deny MFN to Romania would signal to the Romanian government that the U.S. no longer is fooled and no longer will encourage Bucharest's repressive internal policies and foreign policy deceptions.

Juliana Geran Pilon, Ph.D.
Senior Policy Analyst

25. The Washington Post, May 15, 1985.