

Background Materials Relating
to the
**UNITED STATES-ROMANIAN
TRADE AGREEMENT**

**COMMITTEE ON FINANCE
UNITED STATES SENATE**

RUSSELL B. LONG, *Chairman*

Prepared by the staff for the use of the
Committee on Finance



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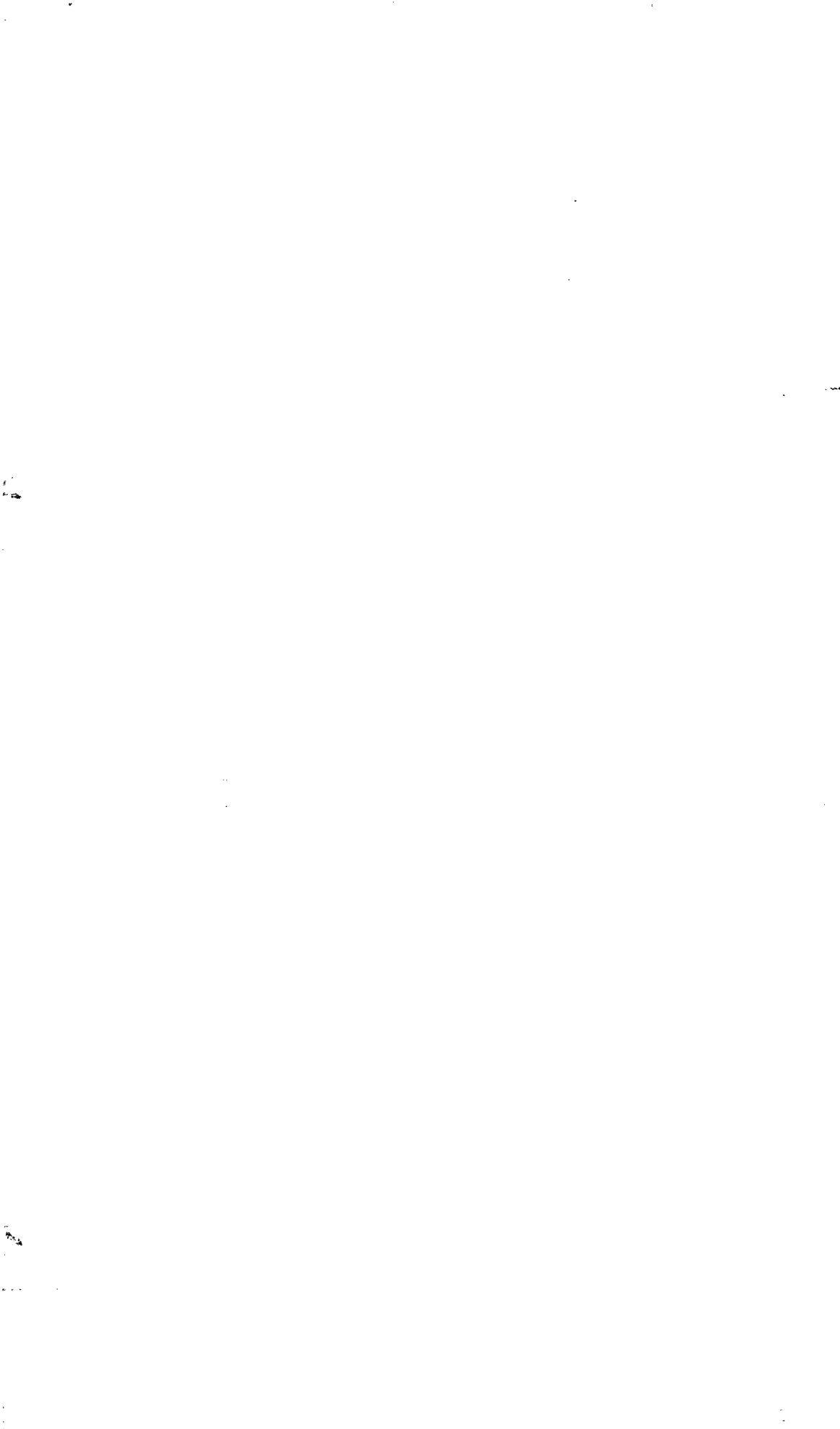
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(II)

PREFACE

On April 24, 1975,¹ President Ford transmitted to the Congress for approval a bilateral commercial agreement with the Socialist Republic of Romania. The agreement, which would grant to Romania nondiscriminatory tariff treatment, was negotiated by the Executive and submitted to the Congress pursuant to the provisions of Title IV of the Trade Act of 1974. This document is a compilation of background materials relevant to the proposed agreement.

¹ The resolution implementing the trade agreement was introduced on April 24 in the House of Representatives and on April 25 in the Senate.



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Summary of Title IV, Trade Relations With Countries Whose Products Are Not Currently Receiving Most-Favored-Nation (Nondiscriminatory) Treatment in the U.S. Market

Title IV of the Trade Act of 1974 authorizes the President to extend, under certain circumstances, most-favored-nation (nondiscriminatory) trade concessions to countries whose products do not currently receive such treatment. The only countries not now receiving nondiscriminatory treatment in the U.S. market are the communist nations (with the exception of Poland and Yugoslavia, whose products do receive such treatment). Under section 231(a) of the Trade Expansion Act of 1962, the President was precluded from extending nondiscriminatory (column 1) treatment to countries not currently receiving such treatment.

Title IV imposes several conditions on the delegation of authority to the President to extend nondiscriminatory treatment. Section 402 provides that no country is eligible to receive nondiscriminatory tariff treatment or U.S. Government credits, credit guarantees or investment guarantees if the President determines such country:

- (1) denies its citizens the right or opportunity to emigrate;
- (2) imposes more than a nominal tax on emigration or on the visas on other documents required for emigration, for any purpose or cause whatsoever; or
- (3) imposes more than a nominal tax, levy, fine, fee or other charge on any citizen as a consequence of the desire of such citizen to emigrate to the country of his choice.

A country would become eligible for nondiscriminatory treatment under this title only after the President determined that it was not violating any of the above conditions and so reported his determination to the Congress. Any country which was found to be denying its citizens the right to emigrate would also be prohibited from receiving any U.S. Government credits, credit guarantees, or investment guarantees, and from entering into a bilateral trade agreement under section 403. Following receipt of the initial report by the President to the Congress under section 402, either House can veto the extension of Government credits and guarantees to the country concerned by a majority vote within 90 days.

Under the Act, only countries entering into bilateral agreements with the United States could receive nondiscriminatory treatment. Nondiscriminatory treatment would remain in effect only so long as a trade agreement remained in force between the United States and the country concerned. The President, however, has the authority to suspend or withdraw nondiscriminatory treatment to any country at any time.

Under section 403, nondiscriminatory treatment for any country which has entered into an agreement with the United States for the settlement of lend-lease debts would be limited to periods in which

the country was not in arrears on its obligations under the agreement. (The Soviet-American lend-lease settlement agreement, on the other hand, conditions the Soviet Union's fourth and all subsequent lend-lease payments upon the extension of nondiscriminatory treatment by the United States.)

All future bilateral agreements entered into between the United States and a nonmarket economy nation are subject to approval by both Houses of Congress before the President could proclaim trade concessions. Furthermore, following receipt of the annual December report of the President under sections 402 and 403, either House can, within 90 days, veto the continued extension of MFN treatment or granting of Government credits or guarantees to any country receiving nondiscriminatory treatment under title IV. Trade benefits under any bilateral agreement would be limited to an initial period not exceeding three years. Thereafter, an agreement could be renewed for additional periods, each of not more than three years, providing that a satisfactory balance of concessions in trade and services had been maintained and that U.S. reductions in trade barriers had been reciprocated by the other party. Services include transportation and insurance and other commercial services associated with international trade.

Bilateral agreements are required to include provisions for: (1) suspension or termination for reasons of national security, (2) safeguards against disruption of domestic markets, (3) protection of patents if the other party is not a member of the Paris Convention for the Protection of Industrial Property, (4) settlement of commercial disputes, and (5) consultations for reviewing the operation of the agreement and relevant aspects of relations between the United States and the other party. Bilateral agreements must also include arrangements for the protection of industrial rights such as copyrights, promotion of trade, and other commercial arrangements promoting the purposes of the Act.

Freedom of Emigration Waiver.—The Act contains a provision allowing the President to waive the freedom-of-emigration requirements for any country, if he reports to Congress that (1) he has determined that such a waiver would promote the objectives of freer emigration, and (2) he has received assurances that the emigration practices of such country will lead substantially to free emigration. The waiver authority extends for an 18-month period after the date of enactment of the Act, and may be renewed for one year periods thereafter subject to congressional review. The President may terminate nondiscriminatory treatment at any time.

Market disruption.—The Act contains significant improvements in the provisions to avert disruption of U.S. markets by imports from nonmarket economies:

1. *Safeguard provisions in commercial agreements.*—Under the Act, consultation procedures and rules would be written into all commercial agreements with nonmarket countries similar to Article 3 and Annex I of the U.S.-U.S.S.R. Trade Agreement.

2. *Petition for consultation.*—The Act would permit trade associations, firms, and unions to petition the President to initiate consultation procedures between the U.S. and the particular nonmarket economy country upon a showing of likelihood of market disruption as a result of imports entering the United States from that country.

3. *Relief from market disruption.*—The Act provides that market disruption may be found to exist upon a determination by the International Trade (Tariff) Commission that imports of an article like or directly competitive with an article produced in a domestic industry from any communist country are increasing rapidly so as to be a significant cause of material injury, or the threat thereof, to the domestic industry. The Commission would have three months to conclude its investigation under section 406. These provisions apply to all communist countries.

4. *Expedited relief.*—The Act authorizes the President to take immediate action whenever he determines that a condition exists requiring emergency treatment. This “fast track” authority would apply to both the consultative procedures and the market disruption relief provisions in section 406.

5. *Selective application.*—The Act limits the President’s authority to impose import restrictions only to the products from nonmarket countries which are causing the market disruption.

Claims Settlement With Czechoslovakia.—Under the Act, the President is directed to renegotiate the agreement with Czechoslovakia on the settlement of U.S. claims. There must be a full and fair settlement before most-favored-nation treatment will be granted. Czechoslovakian gold held by the United States will remain in the United States until a settlement is negotiated and submitted to Congress as part of any bilateral commercial agreement with Czechoslovakia. Both must be approved by both Houses of Congress before nondiscriminatory treatment and credits may be extended.

Emigration to Join a Close Relative.—The Act contains a provision refusing Government credits and MFN treatment to a nonmarket country which refuses to permit its citizens to emigrate to join a close relative. The provision would not apply to Poland and Yugoslavia and would be subject to the waiver.

Cooperation in Locating MIA’s in Southeast Asia.—Title IV of the Act includes a provision which authorizes the President to deny the extension of MFN treatment and Government credits to nonmarket economies upon his determination that such countries have not undertaken to obtain the cooperation of the pertinent governments in Southeast Asia in locating U.S. personnel missing in action, in repatriating those who are alive, and in recovering the remains of those who are dead.

East-West Foreign Trade Board.—The Act directs the President to establish an East-West Foreign Trade Board within the Executive branch to monitor trade, credits, and technology transfers between the United States and nonmarket economy countries.

The Board would review significant transactions involving the extension of U.S. Government credits, guarantees or insurance and transfers of sensitive technology to nonmarket economy countries. The Board would report on a quarterly basis to the Congress on East-West trade development.

Principal Features of the Waiver Provisions of Section 402 of the Trade Act

Section 402 of the Trade Act prohibits the President from concluding a commercial agreement with any nonmarket economy country which denies its citizens free emigration. The waiver amendment provides temporary authority to the President to waive section 402 provided certain conditions are satisfied.

The principal features of the amendment concerning waiver authority are as follows:

Beginning with the date of enactment of the Act, January 3, 1975, the President has authority to waive requirements of Section 402 for 18 months for any country after he has received assurances that the emigration practices of that country will lead substantially to the achievement of the objectives of Section 402.

Eighteen months after the date of enactment of the Act, the waiver may be renewed upon the adoption of a concurrent resolution extending the authority for one year. If an extension is desired, a request shall be made by the President no later than 30 days prior to expiration of the 18-month period.

In the event that the Congress has not voted on a resolution of approval by the end of the 18-month period, the waiver authority will be extended for up to 60 days after the end of the 18-month period to permit the Congress additional time to act on the concurrent resolution. If the vote on the resolution of approval fails in both Houses, the waiver authority expires.

In the event that Congress within 60 days after the expiration of the 18-month period does not adopt or disapprove a concurrent resolution on the issue of extending the authority, the authority will nevertheless continue in force unless either House of Congress (within 45 calendar days of the expiration of the 60-day period) passes a simple resolution of disapproval of the continuation of the waiver authority.

The waiver may be further extended by Executive Order at one-year intervals upon a Presidential determination and report to Congress that such extension will substantially promote the objectives of Section 402, provided that neither House of Congress (within 60 calendar days of the issuance of the Executive Order) adopts a resolution of disapproval of the extension.

The statutory language permits the concurrent resolution or the simple resolution of disapproval to exclude one or more countries from the extensions of the waiver authority. Resolutions may be amended to include or exclude any particular country.

Any extension of waiver authority will not apply to any country which has been excluded in a concurrent resolution or in a resolution of either House.

Key Dates Under the Waiver Provisions of Title IV
(Enactment of Trade Act on January 3, 1975)

January 3, 1975—July 3, 1976.—President may waive requirements of section 402 (denying MFN and credits to any nonmarket country which denies free emigration) upon a determination and a report to Congress of assurances that the emigration practices of such country will lead substantially to the achievement of the objectives of free emigration.

June 3, 1976.—President may request a 1-year extension of the waiver by June 3 (30 days before expiration) if the Congress has not defeated a resolution extending the waiver.

July 3—Sept. 1, 1976.—Waiver extended for 60 days if President has so requested. Congress may extend waiver by concurrent resolution (majority of both Houses). Waiver expires if concurrent resolution vote fails.

Sept. 1—Oct. 15, 1976.—If there is no vote, President may extend waiver another 45 days. Congress may cut off MFN and credits to any country by a simple majority of either House.

Thereafter, July 3—Sept. 1 of each year.—President may extend waiver for one more year by Executive Order, provided he submits a report on the progress of free emigration. Congress may rescind waiver by majority vote of either House (resolution of disapproval). If Congress does not vote resolution of disapproval in July or August, waiver extends through the following June.

Executive Documents

MEMORANDA FOR THE SECRETARY OF STATE

[Presidential Determination No. 75-15.]

THE WHITE HOUSE,
Washington, April 24, 1975.

Subject: Determination under Section 402(c)(1)(A) of the Trade Act of 1974—Socialist Republic of Romania.

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 hereby determine, pursuant to section 402(c)(1)(A) of the Act, that a waiver by Executive Order of the application of subsections (a) and (b) of section 402 of the Act with respect to the Socialist Republic of Romania will substantially promote the objectives of section 402 of the Act.

You are requested on my behalf to transmit this determination to the Speaker of the House of Representatives and to the President of the Senate.

This determination shall be published in the *Federal Register*.

GERALD R. FORD.

[Presidential Determination No. 75-16.]

THE WHITE HOUSE,
Washington, D.C., April 24, 1975.

Subject: Determination under section 405(a) of the Trade Act of 1974—Socialist Republic of Romania.

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 hereby determine, pursuant to section 405(a) of the Act, that the Agreement on Trade Relations between the United States of America and the Socialist Republic of Romania will promote the purposes of the Act and is in the national interest.

You are requested on my behalf to transmit this determination to the Speaker of the House of Representatives and to the President of the Senate.

This determination shall be published in the *Federal Register*.

GERALD R. FORD.

LETTER TO THE PRESIDENT OF THE SENATE

THE WHITE HOUSE,
*Washington, April 23, 1975.**

HON. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: In accordance with Section 407 of the Trade Act of 1974, I am transmitting herewith a copy of a Proclamation extending nondiscriminatory treatment to the products of the Socialist Republic of Romania. I am also enclosing the text of the Agreement on Trade Relations between the United States of America and the Socialist Republic of Romania, which was signed on April 2, 1975, and which is included as an Annex to the Proclamation.*

I am enclosing herewith a copy of the report which was transmitted to the Congress this date as required by Section 402(c)(1) of the Trade Act of 1974, and I shall issue today an Executive Order waiving the application of subsections (a) and (b) of Section 402.

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

This agreement is consistent with the letter and the spirit of the Trade Act of 1974. In addition to providing for mutual extension of most-favored-nation tariff treatment, it meets the requirements of Title IV that are designed to ensure overall reciprocity of economic benefits. Its special safeguard arrangements provide the strongest possible assurance that our trade with Romania will continue to grow without injury to domestic firms or loss of jobs for American workers.

American businessmen are assured of basic rights and facilities in establishing operations in Romania and doing business with Romanian enterprises. Other provisions include protection for industrial property rights, industrial processes, and copyrights; and encouragement of third-country arbitration of commercial disputes under the rules of the International Chamber of Commerce.

I urge that Congress act as soon as possible to approve the agreement under the provisions of Section 407.

Sincerely,

GERALD R. FORD.

LETTER TO THE SPEAKER OF THE HOUSE OF REPRESENTATIVES

THE WHITE HOUSE,
Washington, D.C., April 24, 1975.

THE HONORABLE THE SPEAKER,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: In accordance with Section 407 of the Trade Act of 1974, I am transmitting herewith a copy of a Proclamation extending nondiscriminatory treatment to the products of the Socialist

*STAFF NOTE: The Trade Agreement was officially transmitted to the Senate on April 25, 1975.

Republic of Romania. I am also enclosing the text of the Agreement on Trade Relations between the United States of America and the Socialist Republic of Romania, which was signed on April 2, 1975, and which is included as an Annex to the Proclamation.

I am enclosing herewith a copy of the report which was transmitted to the Congress this date as required by Section 402(c) (1) of the Trade Act of 1974, and I shall issue today an Executive Order waiving the application of subsections (a) and (b) of Section 402.

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

This agreement is consistent with the letter and the spirit of the Trade Act of 1974. In addition to providing for mutual extension of most-favored-nation tariff treatment, it meets the requirements of Title IV that are designed to ensure overall reciprocity of economic benefits. Its special safeguard arrangements provide the strongest possible assurance that our trade with Romania will continue to grow without injury to domestic firms or loss of jobs for American workers. American businessmen are assured of basic rights and facilities in establishing operations in Romania and doing business with Romanian enterprises. Other provisions include protection for industrial property rights, industrial processes, and copyrights; and encouragement of third-country arbitration of commercial disputes under the rules of the International Chamber of Commerce.

I urge that Congress act as soon as possible to approve the agreement under the provisions of Section 407.

Sincerely,

GERALD R. FORD.

PRESIDENTIAL DOCUMENT

To the Congress of the United States:

Pursuant to Section 402(c) (1) of the Trade Act of 1974, I shall issue today an Executive Order waiving the application of subsections (a) and (b) of section 402 of the Trade Act of 1974 with respect to the Socialist Republic of Romania, and I am hereby making the report contemplated by Section 402(c) (1) of the Act.

I refer to the Declaration of the Presidents of the United States and of the Socialist Republic of Romania signed in Washington in 1973 wherein it was stated that "they will contribute to the solution of humanitarian problems on the basis of mutual confidence and good will." I have been assured that if and when such problems arise they will be solved, on a reciprocal basis, in the spirit of that Declaration. Accordingly, I am convinced that the emigration practices of Romania will lead substantially to the achievement of the objectives of Section 402 of the Act. I have therefore determined that the waiver contained in said Executive Order will substantially promote the objectives of Section 402 of the Act.

GERALD R. FORD.

THE WHITE HOUSE, April 24, 1975.

PRESIDENTIAL PROCLAMATION

AGREEMENT ON TRADE RELATIONS BETWEEN THE UNITED STATES OF AMERICA AND THE SOCIALIST REPUBLIC OF ROMANIA

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

Pursuant to the authority vested in me by the United States Constitution, I, as President of the United States of America, acting through duly empowered representatives, entered into negotiation with duly empowered representatives of the Socialist Republic of Romania looking toward the conclusion of an agreement governing trade relations between the United States of America and the Socialist Republic of Romania;

The aforesaid negotiations were conducted in accordance with the requirements of the Trade Act of 1974 (P.L. 93-618, January 3, 1975; 88 Stat. 1978);

An "Agreement on Trade Relations between the United States of America and the Socialist Republic of Romania," including the annexes thereto, in the English and Romanian languages, was signed on April 2, 1975, by duly empowered representatives of the Governments of the United States of America and the Socialist Republic of Romania, respectively, and is hereto annexed;

The said Agreement is in conformity with the requirements relating to bilateral commercial agreements as specified in section 405(b) of the Trade Act of 1974 (88 Stat. 1978, 2061);

It is provided in Article XII of the said Agreement that it shall enter into force on the date of exchange of written notices of acceptance by the Governments of the United States of America and the Socialist Republic of Romania; and

It is provided in section 405(c) of the Trade Act of 1974 (88 Stat. 1978, 2061) that a bilateral commercial agreement providing nondiscriminatory treatment to the products of countries heretofore denied such treatment, and a proclamation implementing such agreement, shall take effect only if approved by the Congress by the adoption of a concurrent resolution of approval, referred to in section 151 of the Trade Act of 1974 (88 Stat. 1978, 2001), of the extension of nondiscriminatory treatment to the products of the country concerned;

Now, therefore, I, Gerald R. Ford, President of the United States of America, acting under the authority vested in me by the Constitution and the statutes, including section 404(a) of the Trade Act of 1974, do hereby proclaim as follows:

(1) This Proclamation shall become effective and said agreement shall enter into force according to its terms, and nondiscriminatory treatment shall be extended to the products of the Socialist Republic of Romania in accordance with the terms of the said Agreement, on the date of exchange of written notices of acceptance in accordance with Article XII of the said Agreement, all of the foregoing to follow the adoption by the House of Representatives and the Senate, in accordance with the procedures set forth in section 151 of the said Act, of a concurrent resolution of approval of the extension of nondis-

criminy treatment to the products of the Socialist Republic of Romania, to the end that the same and every part of the said Agreement may be observed and fulfilled with good faith by the United States of America and the citizens thereof and all other persons subject to the jurisdiction thereof as of the date of its entry into force; and

(2) General Headnote 3(e) of the Tariff Schedules of the United States is amended by deleting therefrom "Rumania" as of the effective date of this proclamation and a notice thereof shall be published in the Federal Register promptly thereafter.

In witness whereof, I have hereunto set my hand this twenty-fourth day of April, in the year of our Lord one thousand nine hundred seventy-five, and of the Independence of the United States of America the one hundred ninety-ninth.

GERALD R. FORD.

AGREEMENT ON TRADE RELATIONS BETWEEN THE UNITED STATES OF AMERICA AND THE SOCIALIST REPUBLIC OF ROMANIA

The Government of the United States of America and the Government of the Socialist Republic of Romania,

Conscious of the long-standing friendship between their countries and the American and Romanian peoples,

Desiring to develop their relations on the basis of the principles set forth in the Joint Statement of the Presidents of the two States at Washington on December 5, 1973, and reaffirming the continuing importance of the Joint Statement on Economic, Industrial and Technological Cooperation issued at Washington on December 5, 1973,

Having agreed that commercial and economic ties are an important element in the general strengthening of their bilateral relations,

Believing that an Agreement embodying undertakings and arrangements for the conduct of trade between their countries will serve the interests of both peoples,

Acknowledging that favorable conditions exist for the further expansion of trade between their countries,

Recognizing that it is to their mutual advantage to continue to develop their commercial relations,

Having agreed as follows:

ARTICLE I: MOST FAVORED NATION TREATMENT

1. Both Parties reaffirm the importance of their participation in the General Agreement on Tariffs and Trade and the importance of the provisions and principles of the General Agreement on Tariffs and Trade for their respective economic policies. Accordingly, the Parties shall apply between themselves the provisions of the General Agreement, the Protocol for the Accession of Romania of October 15, 1971 to that Agreement, and Annexes to that Protocol including Annex B.

2. As provided in the General Agreement on Tariffs and Trade, the Parties agree to grant each other's products most-favored-nation treatment immediately and unconditionally with respect to customs duties and charges of any kind imposed on or in connection with importation or exportation, and with respect to the method of levying such duties and charges, and with respect to all rules and formalities in connection with importation and exportation, and as otherwise provided in the General Agreement on Tariffs and Trade, provided that to the extent that this or any other provision of the General Agreement on Tariffs and Trade is inconsistent with any subsequent provision of this Agreement, the latter shall apply.

3. The Parties agree to maintain a satisfactory balance of concessions in trade and services during the period of this Agreement, and in particular to reciprocate satisfactorily reductions by the other Party

in tariffs and non-tariff barriers to trade that result from multilateral negotiations. In this respect, it is noted that Romania, as a developing country, could be eligible for treatment accorded to developing countries.

ARTICLE II: EXPANSION OF TRADE

1. The Parties shall take appropriate measures, in accordance with applicable laws and regulations, to encourage and facilitate the exchange of goods and services between the two countries on the basis of mutual advantage in accordance with the provisions of this Agreement. In expectation of such joint efforts, both Governments envision that total bilateral trade in comparison with the period 1972-74 will at least triple over the initial three-year period of this Agreement. In this respect, the Government of the Socialist Republic of Romania expects that during the period of this Agreement Romanian firms, companies and economic organizations will place substantial orders in the United States of America for machinery and equipment, agricultural and industrial materials, and consumer goods produced in the United States of America, while the Government of the United States anticipates that the effect of this Agreement will be to encourage increasing purchases by firms, companies, economic organizations and consumers in the United States of such products from the Socialist Republic of Romania.

2. Commercial transactions will be effected on the basis of contracts to be concluded between firms, companies and economic organizations of the United States of America and those of the Socialist Republic of Romania, and in accordance with applicable laws and regulations. Such contracts will generally be concluded on terms customary in international commercial practice.

ARTICLE III: SAFEGUARDS

1. The Parties agree to consult promptly at the request of either Party should it determine that actual or prospective imports of products originating in the territory of the other Party are causing or threaten to cause, or are significantly contributing to, market disruption within a domestic industry of the requesting Party.

2. Either Party may impose such restrictions as it deems appropriate on imports originating in the territory of the other Party to prevent or remedy such actual or threatened market disruption.

3. The procedures under which the Parties will cooperate in applying this article are set forth in Annex 1.

ARTICLE IV: BUSINESS FACILITATION

1. In accordance with applicable laws and regulations, firms, companies and economic organizations of one Party may open, establish and operate representations (as these terms are defined in Annex 3) in the territory of the other Party. Information concerning rules and regulations pertaining to such representations and related facilities shall be provided by each Party upon the request of the other.

2. Nationals, firms, companies and economic organizations of either Party shall be afforded access to all courts and, when applicable, to

administrative bodies as plaintiffs or defendants, or otherwise, in accordance with the laws in force in the territory of such other Party. They shall not claim or enjoy immunities from suit or execution of judgment or other liability in the territory of the other Party with respect to commercial or financial transactions; they also shall not claim or enjoy immunity from taxation with respect to commercial or financial transactions, except as may be provided in other bilateral agreements.

3. Firms, companies and economic organizations of one of the Parties shall be permitted to engage in the territory of the other Party in any commercial activity which is not contrary to the laws of such other Party.

4. Firms, companies and economic organizations of either Party that desire to establish representations or already operate representations in the territory of the other Party shall receive treatment no less favorable than that accorded to firms, companies and economic organizations of any third country in all matters relating thereto. The rights and facilities set out in Annex 2 shall be among those that will be accorded such firms, companies and economic organizations which establish representations.

5. For the purpose of carrying on trade between the territories of the two Parties and engaging in related commercial activities, nationals of each Party and employees of its firms, companies and economic organizations and their families shall be permitted to enter, to reside and to obtain appropriate housing in the territory of the other Party, and to travel therein freely, in accordance with the laws relating to entry, stay and travel of aliens.

6. The Parties affirm that no restrictions shall exist in principle on contacts between representatives of American and Romanian firms, companies and economic organizations. To this end, representatives of firms, companies and economic organizations of either Party shall be permitted within the territory of the other Party to deal directly with buyers and users of their products, for purposes of sales promotion and servicing their products, in accordance with the procedures and regulations applicable in each country.

7. The Parties shall as appropriate permit and facilitate access within their territories by representatives of firms, companies and economic organizations of the other Party to information concerning markets for goods and services in accordance with the procedures and regulations applicable in each country.

8. Firms, companies and economic organizations of either Party shall be permitted in accordance with procedures and regulations applicable within the territory of the other Party to advertise, conclude contracts, and provide technical services to the same extent that firms, companies and economic organizations of the latter Party may do so. Duty-free treatment will be accorded to samples without commercial value and advertising materials, as provided in the Geneva Convention of November 7, 1952, relating to the Importation of Commercial Samples and Advertising Materials.

9. Each Party agrees to provide its good offices to assist in the solution of business facilitation problems and in gaining access to appropriate government officials in each country.

10. Each Party agrees to encourage the development on its territory of appropriate services and facilities and adequate access thereto and also to promote the activities of firms, companies and economic organizations of the other Party which do not have representations, and their employees and representatives.

11. Each Party agrees to facilitate in its territory, to the fullest extent practicable, the activities of firms, companies and economic organizations of the other Party acting through employees, technicians, experts, specialists and other representatives in carrying out contracts concluded between the firms, companies and economic organizations of the two Parties.

12. Each Party undertakes to facilitate travel by tourists and other visitors and the distribution of information for tourists.

13. The Parties confirm their commitment, as expressed in the Joint Statement on Economic, Industrial, and Technological Cooperation of December 5, 1973, to facilitate participation of their nationals, firms, companies and economic organizations in fairs and exhibitions organized in the other country. Each Party further undertakes to encourage and facilitate participation by nationals, firms, companies and economic organizations of the other country in trade fairs and exhibits in its territory, as well as to facilitate trade missions organized in the other country and sent by mutual agreement of the Parties. Subject to the laws in force within their territories, the Parties agree to allow the import and re-export on a duty-free basis of all articles for use by firms, companies and economic organizations of the other Party in fairs and exhibitions, providing that such articles are not transferred.

ARTICLE V: INDUSTRIAL PROPERTY, INDUSTRIAL RIGHTS AND PROCESSES, AND COPYRIGHTS

1. Each Party shall continue to provide nationals, firms, companies and economic organizations of the other Party with rights with respect to industrial property provided in the Convention of Paris for the Protection of Industrial Property (as revised at Stockholm on July 14, 1967).

2. With respect to industrial rights and processes other than those referred to in paragraphs 1 and 3 of this Article, each Party shall provide the same legal protection to nationals, firms, companies and economic organizations of the other Party that is provided within its territory to its own nationals, companies and economic organizations.

3. Each Party agrees to provide nationals, firms, companies and economic organizations of the other Party the rights with respect to copyrights set forth in the Universal Copyright Convention as revised at Paris on July 24, 1971.

ARTICLE VI: FINANCIAL PROVISIONS

1. Nationals, firms, companies and economic organizations of each Party shall be accorded by the other Party most-favored-nation treatment with respect to payments, remittances and transfers of funds or financial instruments between the territories of the two Parties, as well as between the territory of such other Party and that

of any third country. For this purpose, the Parties agree to grant those authorizations which are necessary.

2. Financial transactions between nations, firms, companies and economic organizations of the United States of America and those of the Socialist Republic of Romania shall be made according to applicable laws and regulations. All financial transactions shall be made in United States dollars or any other freely convertible currency mutually agreed upon by such persons, firms, companies and economic organizations, unless they otherwise agree. However, expenditures in the territory of a Party by nations, firms, companies and economic organizations of the other Party may be made in local currency received in an authorized manner in accordance with the regulations applicable to such expenditures. No restrictions shall be placed by either Party upon the export from its territory of freely convertible currencies or deposits, or instruments representative thereof, by the nationals, firms, companies, economic organizations or Government of the other Party, provided such currencies, deposits, or instruments were received in an authorized manner. If either Party maintains more than one rate of exchange, it shall accord to nationals, firms, companies and economic organizations of the other Party treatment no less favorable in matters relating to rates of exchange than it accords to nations, firms, companies and economic organizations of any third country.

3. Nationals, firms, companies and economic organizations of each Party shall be accorded most-favored-nation treatment by the other Party with respect to the opening and maintaining of accounts in local and any convertible currency in financial institutions and with respect to use of such currencies.

ARTICLE VII: NAVIGATION

1. Vessels under the flag of either Party, and carrying the documents required by its law in proof of nationality, shall be deemed to be vessels of that Party both on the high seas and within the ports, places, and waters of the other Party.

2. The documents of a vessel, as well as the documents referring to crews, issued according to the laws and regulations of the Party under whose flag the vessel is navigating, will be recognized by the authorities of the other Party.

3. Vessels of either Party (other than warships, as defined in the Geneva Convention on the High Seas of April 29, 1958) shall have liberty on equal terms with vessels of any third country, to come with their cargoes to ports, places, and waters of the other Party open to foreign commerce and navigation, except insofar as requirements of national security limit such access; such vessels and cargoes shall then in all respects be accorded most-favored-nation treatment within the ports, places and waters of the other Party except insofar as modified by port security requirements.

4. The provisions of paragraph 3 of this Article shall not apply to fishing vessels, fishery research vessels, or fishery support vessels. The Parties reaffirm the importance of their Agreement regarding fish-

eries in the western region of the Middle Atlantic Ocean, concluded at Washington on December 8, 1973, which shall continue to apply in accordance with its terms.

ARTICLE VIII: DISPUTES SETTLEMENT

1. The Parties reaffirm their commitment, as expressed in the Joint Statement on Economic, Industrial and Technological Cooperation of December 5, 1973 to prompt and equitable settlement on an amicable basis of commercial disputes which may arise.

2. The Parties encourage the adoption of arbitration for the settlement of disputes arising out of international commercial transactions concluded between firms, companies and economic organizations of the United States of America and those of the Socialist Republic of Romania. Such arbitration should be provided for by provisions in contracts between such firms, companies, and economic organizations, or in separate agreements between them in writing executed in the form required for such contracts. Such agreements (a) should provide for arbitration under the rules of arbitration of the International Chamber of Commerce in Paris; and (b) should specify as the place of arbitration a place in a country other than the United States of America or the Socialist Republic of Romania that is a Party to the Convention for the Recognition and Enforcement of Foreign Arbitral Awards of New York on June 10, 1958; however firms, companies and economic organizations party to a contract may agree upon any other form or place of arbitration.

ARTICLE IX: GOVERNMENTAL COMMERCIAL OFFICES

1. In order to promote the development of trade and economic relations between the Parties, and to provide assistance to their firms, companies and economic organizations and to nationals who are engaged in commercial activities, each Party agrees to permit and facilitate the establishment and operation of Governmental commercial offices of the other Party on a reciprocal basis. The establishment and operation of such offices shall be in accordance with applicable laws and regulations, and subject to such terms, conditions, privileges, and immunities as may be agreed upon by the Parties. The Parties agree that access, for commercial purposes, to such offices by nationals of either Party who are engaged in commercial activities will be unrestricted.

2. Government commercial offices and their respective officers and staff members, to the extent that they enjoy diplomatic immunity, shall not participate directly in the negotiation, execution, or fulfillment of trade transactions or otherwise carry on trade.

ARTICLE X: NATIONAL SECURITY

The provisions of this Agreement shall not limit the right of either Party to take any action for the protection of its security interests.

ARTICLE XI: REVIEW OF OPERATION OF AGREEMENT

The Joint American-Romanian Economic Commission, established in accordance with the Joint Statement on Economic, Industrial and Technological Cooperation of December 5, 1973, shall review the operation of this Agreement and as necessary prepare recommendations which shall be presented to the Governments of both countries for the further improvement of trade relations between the two countries.

ARTICLE XII: DURATION AND ENTRY INTO FORCE

1. This Agreement shall enter into force on the date of exchange of written notices of acceptance by the two Governments, and shall remain in force as provided in paragraph 2 of this Article.

2. (a) The initial term of this Agreement shall be three years, subject to subparagraph (c) of this Article.

(b) If either Party encounters or foresees a problem with respect to the application of this Agreement, including a problem concerning its domestic legal authority to carry out any of its obligations under this Agreement, such Party shall request immediate consultations with the other Party. Once consultations have been requested, the other Party shall enter into such consultations as soon as possible concerning the circumstances that have arisen, with a view to finding a solution which would make action under subparagraph (c) unnecessary.

(c) If either Party is unable to carry out any of its obligations under this Agreement either Party may suspend or terminate the applicability of this Agreement or, with the Agreement of the other Party, any part of this Agreement. If either Party takes action under this subparagraph, that Party will, to the fullest extent practicable and consistent with domestic law, seek to minimize disruption to existing trade relations between the two countries.

(d) This Agreement shall be extended for successive periods of three years each unless either Party has notified, in writing, the other Party of the termination of this Agreement at least 30 days prior to its expiration.

3. Annexes 1, 2, and 3 shall constitute an integral part of this Agreement.

In witness whereof, the authorized Representatives of the Parties have signed this Agreement.

Done in two original copies at Bucharest this second day of April, 1975, in English and Romanian, both texts being equally authentic.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:
(Signed) HARRY G. BARNES, Jr.,

FOR THE GOVERNMENT OF THE
SOCIALIST REPUBLIC OF ROMANIA:
(Signed) ION PATAN.

ANNEX 1: PROCEDURES FOR THE IMPLEMENTATION OF ARTICLE III

1(A) The consultations provided for under Article III shall have the objectives of presenting and examining together the factors relating to those imports that may be causing or threatening to cause or significantly contributing to market disruption, and finding means of preventing or remedying such market disruption. Such consultations shall provide for a review of the production, market, and trade situation of the product involved (and may include such factors as trends in domestic production, profits of firms within the industry, the employment situation, sales, inventories, rates of increase of imports, market share, level of imports, sources of supply, the situation of the exporter and any other aspect which may contribute to the examination of the situation.)

Both Parties in carrying out these consultations shall take due account of any contracts between firms, companies and economic organizations of the United States of America and the Socialist Republic of Romania concluded prior to the request for consultations.

Such consultations shall be concluded within ninety days of the request, unless otherwise agreed during the course of such consultations.

1(B) Unless a different solution is agreed upon during the consultations, the quantitative import limitations or other restrictions stated by the importing Party to be necessary to prevent or remedy the market disruption in question shall be implemented.

1(C) At the request of the importing Party, if it determines that an emergency situation exists, the limitations or other restrictions referred to in its request for consultations shall be put into effect prior to the conclusion of such consultations.

1(D) The rights of the exporting Party referred to in paragraph 4(d) of the Protocol for the Accession of Romania to the General Agreement on Tariffs and Trade of October 15, 1971 shall apply in the event that action contemplated in this Annex is taken.

2(A) In accordance with applicable laws and regulations, each Party shall take appropriate measures to ensure that exports from its country of the products concerned do not exceed the quantities or vary from the restrictions established for imports of such products into the other country pursuant to paragraph 1 of this Annex.

2(B) Each Party may take appropriate measures with respect to imports into its country to ensure that imports of products originating in the other country comply with such quantitative limitations or other restrictions.

ANNEX 2. BUSINESS FACILITATION

I. The firms, companies and economic organizations of one Party, in connection with the establishment and operation of their representations in the territory of the other Party, as well as the employees of such representations, shall enjoy rights and facilities as provided below.

1. Applications to establish representations and to obtain any necessary authorization shall be processed and acted upon expeditiously in accordance with procedures and standards no less favorable than those accorded to the firms, companies and economic organizations of any third countries.

2. Revocation or refusal to renew authorization to operate such representations shall require notice in writing at least three months prior to termination of authorization to such representation.

3. Such representation shall consist of natural or legal persons and shall be established and operated in accordance with procedures and regulations in the host country. Termination of the activities of a representation shall not be subject to any penalties when it does not contravene the provisions of any contract existing between the representation and the firms, companies and economic organizations of the host country.

4. The Parties recognize that reasonable levels and application of fees, taxes, rents and other charges, and adequate notice of changes therein to the concerned representations and their employees, are beneficial to commerce and cooperation between the two countries.

5. Representations shall be permitted to rent office space for their needs and housing for the use of their employees. The Parties, upon request, will use the good offices at their disposal to facilitate and expedite the obtaining and occupying of such office space and housing.

6. Representations shall be permitted to import, as promptly as desired, office machines, automobiles, and other equipment for the purpose of efficient and businesslike operation of the representation, subject to applicable customs regulations.

7. The employees of the representations shall be permitted to import personal effects including furniture and appliances. Such personal effects shall be entered duty-free in accordance with applicable customs regulations. Automobiles and similar means of transportation imported for the use of such employees will be permitted to enter in accordance with the applicable customs regulations. Such employees shall also be permitted to export their imported personal effects and automobiles, free of export duties.

8. Representations may acquire communications facilities, such as office or home telephone for their employees, extensions, and telex equipment, which will be made available as promptly as possible upon application therefor, in accordance with applicable law.

9. The term "employees" used in paragraphs 4, 5, 7 and 8 of this Annex refers to persons sent by firms, companies, and economic organizations of one Party to perform services for their representations which are functioning in the territory of the other Party.

10. Representations may, subject to the applicable laws and procedures, select and employ any person, regardless of citizenship, lawfully residing in or admitted to the territory of such other Party. Neither Party shall impose restrictions on the termination of employees, other than the contractual provisions requiring notice and compensation. Neither Party shall restrict the total number of persons to be employed as long as they are reasonably needed for the conduct of business. Representations shall hire, compensate, and terminate the employment of employees in accordance with the provisions of con-

tracts governing their employment. Each Party agrees to encourage the negotiation of contracts in such a way that the representations of the other Party shall have the broadest possible flexibility in selecting, hiring and compensating employees and in terminating their employment.

11. Each Party agrees to facilitate to the maximum extent possible the travel of persons employed by representations of the other Party desiring to enter its territory in furtherance of the purpose of this Agreement, and members of their immediate families. Each Party agrees to make available multiple entry visas of duration of six months or longer to such persons and to members of their immediate families. Persons who are employees of representations of the other Party shall be permitted to the maximum extent possible, in accordance with applicable regulations, to travel abroad for purposes related to the business of the representations by which they are employed.

II. For the purpose of applying paragraph 10 of Article IV, the Parties recognize that reasonable levels and application of fees, rents, and other charges and adequate notice of changes therein to the concerned employees and representatives are beneficial to commerce and cooperation between the two Parties.

III. For the purpose of applying paragraph 11 of Article IV, the Parties agree that the persons referred to therein should have access to adequate housing and office space and communication facilities, and the ability to utilize, in accordance with applicable procedures, local personnel necessary for the carrying out of their normal activities. In addition, in accordance with applicable customs regulations, the Parties will permit the import of tools, equipment and automobiles required for carrying out contracts, as well as, on a duty-free basis, imports of personal effects. The Parties will permit duty-free export of imported personal effects and automobiles. Each Party agrees to facilitate to the maximum extent possible travel of such persons and the members of their immediate families desiring to enter and leave its territory.

ANNEX 3: DEFINITIONS

1. In this Agreement "firms, companies and economic organizations" of the United States of America shall include corporations, partnerships, sole proprietorships, companies and other economic associations constituted under the laws and regulations applicable in the United States of America, and "firms, companies and economic organizations," for the Socialist Republic of Romania shall include state enterprises, industrial centrals, enterprises with the status of centrals and other enterprises which carry out foreign trade activities in accordance with laws and regulations applicable in the Socialist Republic of Romania.

2. In this Agreement "representation," in the case of the representations established in the United States of America, shall include subsidiaries or unincorporated branches, or other forms of business organization legally constituted under the laws and regulations applicable in the territory of the United States of America by firms, companies, or economic organizations of the Socialist Republic of Romania, and in the case of the representations established in the Socialist Re-

public of Romania, shall include the agencies referred to in Article I of Decree No. 13 of the Council of State of the Socialist Republic of Romania of January 25, 1971, established by a firm, company or economic organization of the United States of America.

EXECUTIVE ORDER

**WAIVER UNDER THE TRADE ACT OF 1974 WITH RESPECT TO THE
SOCIALIST REPUBLIC OF ROMANIA**

By virtue of the authority vested in me by section 402(c)(1) of the Trade Act of 1974 (Public Law 93-618, January 3, 1975; 88 Stat. 1978, 2057), and having made the report to the Congress required by that provision, I hereby waive the application of subsections (a) and (b) of section 402 of said Act with respect to the Socialist Republic of Romania.

GERALD R. FORD.

THE WHITE HOUSE, April 24, 1975.

Trade Summary Documents

STATEMENT BY U.S. DEPARTMENT OF STATE

UNITED STATES-ROMANIAN TRADE PATTERNS AND THE EFFECT OF MFN

TRADE PATTERNS

Recent years have witnessed a marked improvement in trade relations between the United States and Romania, as shown by the increase in U.S.-Romanian trade. In 1970, U.S. two-way trade with Romania was \$79.8 million; in 1974 it was \$407.6 million. Last year, as in previous years, our exports were more than double our imports. Romanian trade accounted for 0.28 percent of U.S. world exports and 0.13 percent of U.S. world imports. Between 1970 and 1974 Romania climbed from 83rd to 57th place among countries we import from, and from 62nd to 52nd among our export markets.

Our favorable trade balance indicates the strong Romanian demand over the years for U.S. agricultural goods and capital equipment, despite the fact that Romania has not enjoyed MFN treatment. The leading U.S. exports to Romania in 1974 were aircraft and aircraft parts, corn, raw cotton, soybean meal and cake, and machinery and mechanical appliances. Petroleum fuels and lubricants accounted for over 65 percent of imports from Romania. Other imports were tractors, footwear, canned hams, glass, and clothing.

EFFECT OF MFN

With extension of MFN we can expect increases in trade in both directions. About a quarter of Romania's present exports will benefit from lower duties, and efforts may be made to find markets in this country for Romanian goods not presently exported because they would face discriminatory duty rates. U.S. exports, already accorded favorable treatment by Romania, stand to benefit as U.S. firms make use of the improvement in the general tone of bilateral trade relations and the specific benefits conveyed by the Trade Agreement.

As is stated in Article II of the Trade Agreement, with extension of MFN U.S.-Romanian trade over the next three years is expected to triple the volume of trade during 1972-74. We anticipate that it will reach a level of approximately \$1 billion by 1980. We expect to maintain a surplus, although the current 2:1 ratio is unlikely to continue.

Of 1974 U.S. imports from Romania, slightly over \$100 million, or 76.7 percent, would have been unaffected by MFN. These include motor fuel, crude petroleum, canned hams and bacon, agricultural tractors, poppy seed, and nitrogenous fertilizer. Imports of cotton fabrics and apparel, while faced with discriminatory duty rates, are limited by a bilateral cotton textiles agreement, which has recently been renegotiated.

ated and extended by three years. In 1974 Romania exported 57 percent of its quota under the then existing bilateral agreement. The new agreement establishes a somewhat higher quota, which may be raised by seven percent each year.

It is possible to estimate crudely the effects of tariff reductions using percentage price changes resulting from MFN and estimates of domestic demand elasticities. The figures in the attached table are not given as projections, but rather to isolate, for illustration, how imports would react given only the variable of MFN treatment.

This illustration makes a number of sweeping assumptions, for instance that Romanian supply is perfectly price elastic, and that we cannot expect domestic demand elasticities of less than one. Moreover, it ignores the influence on some of these imports, such as plate glass, of cyclical fluctuations in demand extraneous to price considerations, and it does not take into account possible use of the extensive market disruption provisions in the Trade Act and the bilateral trade agreement.

The effect of MFN is estimated for 16 products which were imported for \$18.7 million in 1973. Together, they represent about 34 percent of Romania's 1973 exports to the U.S. and 68 percent of those exports affected by MFN. For these 16 products, imports to the U.S. would have been 20 percent larger with MFN, given the assumptions stated above.

If it is assumed, accordingly, that all imports from Romania subject to discriminatory duty rates would have increased by 20 percent, granting of MFN would have increased U.S. imports by \$5.5 million, or 10 percent, in 1973 and \$0.1 million, or 4.7 percent, in 1974. This estimate, however, does not take into account goods not now imported from Romania that would benefit from MFN rates, or the effect on trade of the improvement in bilateral relations that may be anticipated with MFN.

EFFECT OF MFN ON 16 ROMANIAN IMPORTS

	1973 imports (thousands)	Percent price change with MFN	Demand elasticity	Hypothetical 1973 imports with MFN (thousands)
Footwear:				
Leather welt, between \$2 and \$5 ¹	\$3,796	13.23	1.8	\$4,700
Other men's and boys ²	1,510	9.58	1.8	1,770
Leather welt, between \$5 and \$6.80 ¹	1,197	12.5	1.8	1,466
Other leather, not over \$2.50.....	1,140	4.17	1.8	1,226
Other leather, over \$2.50.....	916	8.34	1.8	1,054
Cotton clothing:				
Men's and boys' knit ³	1,618	16.55	1.8	2,100
Men's and boys' coats, over \$4 ⁴	756	21.45	1.8	981
Other men's and boys' not knit ⁴	626	15.27	1.8	798
Food: Pecorino cheese.....	679	17.04	1.0	795
Manufactured goods:				
Bentwood furniture.....	527	21.05	1.0	638
Glass plates, between 40 and 60 in.....	1,752	19.28	1.0	2,090
Glass plates, between 60 and 100 in.....	1,192	18.43	1.0	1,412
Glass plates, less than 40 in.....	630	29.14	1.0	814
Glassware, between \$0.30 and \$1 each.....	625	18.75	1.0	742
Glassware, not over \$0.30 each.....	583	6.25	1.0	619
Iron or steel and plates other than alloy.....	1,171	10.42	1.0	1,293
Total.....	18,718			22,498

¹ The Department of Treasury initiated anti-dumping proceedings in 1974 and on Mar. 17, 1975, published its finding that Romanian welt work shoes are being sold at less than fair value. The case will go before the ITC for an injury determination.

² Derived from specific duty rates.

³ "Best estimate" of elasticities based on compilation of studies by Robert Stern, University of Michigan.

⁴ Bilaterally agreed limits apply.

⁵ "Best estimate" is less than 1, but is assumed to be 1 because exporter would raise price by amount equal to duty reduction if it perceives a low elasticity.

PRINCIPAL ROMANIAN EXPORTS TO THE UNITED STATES WITH CURRENT RATES OF DUTY AND MFN RATES

(In thousands of dollars)

	1973	1974	Duty rate (percent)		Percent total US imports
			MFN	Full	
Mineral fuels and lubricants.....	15,763	80,243			
Motor fuel.....	7,288	(?)	(?)	(?)	2
Crude petroleum, testing 25° API or more.....	5,305	(?)	(?)	(?)	(?)
Crude petroleum, testing less than 25° API.....	3,171	(?)	(?)	(?)	(?)
Miscellaneous manufactured articles.....	18,801	19,150			
Footwear (except orthopedic).....	8,310	11,413			
Leather welt, between \$2 and \$5 1/2.....	3,796		17 cents per pair.	20.....	38
Other men's and boys'.....	1,510		8.5.....	20.....	1
Leather welt, between \$5 and \$6.00 1/2.....	1,197		5.....	20.....	16
Other leather, not over \$2.50.....	1,140		15.....	20.....	3
Other leather, over \$2.50.....	916		10.....	28.....	(?)
Clothing.....	6,448	5,589			
Men's and boys' knit cotton 1.....	1,618		21.....	45.....	5
Men's and boys' cotton coats, over \$4 1/2.....	756		8.....	37.5.....	2
Other men's and boys' cotton, not knit 1.....	628		16.5.....	37.5.....	1
Women's wool, not knit.....	444		25 cents per pound plus 21.....	33 cents per pound plus 45.....	19
Men's and boys' cotton shirts 1.....	409		21.....	45.....	1
Other men's and boys' wool.....	391		25 cents per pound plus 21.....	33 cents per pound plus 45.....	8
Other men's and boys' manmade fiber.....	326		25 cents per pound plus 32.5.....	45 cents per pound plus 65.....	(?)
Other women's and girls' cotton knit 1.....	324		21.....	45.....	1
Women's and girls' cotton coats 1.....	285		8.....	37.5.....	1
Men's and boys' cotton coats, not over \$4 1/2.....	201		16.5.....	37.5.....	4
Other women's and girls' cotton 1.....	190		16.5.....	37.5.....	(?)
Other women's and girls' of other material.....	158		25 cents per pound plus 27.5.....	45 cents per pound plus 65.....	(?)
Leather wearing apparel.....	270		6.....	35.....	(?)
Willow baskets and bags.....	141		10.....	50.....	2
Food and live animals.....	7,721	11,161			
Canned pork.....	6,319		3 cents per pound.	3 cents per pound.	2
Pecorino cheese.....	679		12.....	35.....	21
Dried prunes, plums or prunelles.....	268		2 cents per pound.	2 cents per pound.	22
Poppy seed.....	241		6 cents per hundred weight.	6 cents per hundred weight.	17
Machinery and transport equipment.....	6,258	8,601			
Tractors.....	5,635	7,514	Free.....	Free.....	
Bicycles.....	281		11.....	30.....	1
Manufactured goods by chief material.....	7,233	6,060			
Furniture.....	1,524	1,693			
Bentwood.....	527		12.5.....	42.5.....	7
Wood furniture.....	455		5.....	40.....	(?)
Wood chairs.....	402		8.5.....	40.....	1
Nonmetallic mineral manufactures.....	5,317	3,772			
Glass plates, between 40 and 60 inches.....	1,752		.9 cent per pound.	1.9 cents per pound.	20
Glass plates, between 60 and 100 inches.....	1,192		1.1 cents per pound.	2.4 cents per pound.	15
Glass plates, less than 40 inches.....	650		.7 cent per pound.	1.5 cents per pound.	16
Glassware, between 30 cents and \$1 each.....	625		30.....	60.....	7
Glassware, not over 30 cents each.....	583		50.....	60.....	(?)
Glassware, over \$1 each.....	160		30.....	60.....	1
Iron or steel and plates other than alloy.....	1,171		7.5.....	20.....	(?)
Gingham, cotton containing silk.....	420		14.81.....	28.....	50

See footnotes at end of table.

PRINCIPAL ROMANIAN EXPORTS TO THE UNITED STATES WITH CURRENT RATES OF DUTY AND MFN RATES—Con.

[In thousands of dollars]

	1973	1974	Duty rate (percent)		Percent Total US imports
			MFN	Full	
Chemicals.....	548	3,650			
Organic.....	495	1,658			
Inorganic except elements.....	35	1,115			
Nitrogenous fertilizer.....		697	Free	Free	
Crude materials.....	991	1,053			
Feathers and down.....	353	15	15	20	2
Garden and field seed other than grass.....	120		1.5 cents per pound.	6 cents per pound.	4
Synthetic rubber.....		215	3	20	
Beverages (wine) and tobacco.....	36	240	62.5 cents per gallon.	\$1.25 per gallon.	

¹ Suspended May 1, 1973.² Less than 1 percent.³ The Department of Treasury initiated antidumping proceedings in 1974 and on Mar. 17, 1975 published its finding that Romanian walt work shoes are being sold at less than fair value. The case will go before the ITC for an injury determination.⁴ Bilaterally agreed limits apply.

12 LEADING U.S. EXPORTS TO ROMANIA, 1974 BY 7 DIGIT SCHEDULE B CATEGORY

	Amount (thousands)	Percent of exports to Romania
Unmilled corn or maize.....	\$63,033	22.7
Aircraft, passenger/cargo combination.....	41,486	16.1
Raw cotton, upland, 11 ¹ / ₂ in.....	38,818	14.0
Soybean oil, cake, and meal.....	25,455	9.2
Cattlehides, whole.....	24,081	8.7
Tirebuilding machines.....	12,766	4.6
Rubber processing machinery.....	7,318	2.6
Machinery for treatment of rubber.....	7,148	2.6
Electrolytic tin plate, primary.....	7,137	2.6
Bituminous coal.....	5,528	2.0
Unmilled barley.....	4,372	1.6
Aircraft parts and accessories.....	3,275	1.2
Total 12 leading exports.....	243,417	87.8
Total all exports to Romania.....	277,136	100.0

Source: U.S. Department of State.

LIST OF GOODS THAT MIGHT BE EXPORTED TO U.S. AFTER THE GRANTING OF MFN

1. Textile products (knitwear, apparel, fabrics, leather apparel, leather goods, Morocco ware).
2. Construction materials (cement, window glass, veneering).
3. Food products (canned meat, ham, canned fruit and vegetables, cheese).
4. Machine tools (locomotives, drilling equipment, electric motors, electronic components).
5. Metal products (steel, aluminum).
6. Chemical products (synthetic rubber, synthetic fibres, PVC, polyethylene, caustic and soda ash).
7. Furniture and decorator items.
8. Oriental and Romanian rugs.
9. Household articles, handicraft, ceramics.

Source: Romanian Ministry of Foreign Trade.

UNITED STATES ROMANIAN TRADE, 1967 AND 1970-74

[In millions dollars]

	1967	1970	1971	1972	1973	1974
United States exports to Romania.....	16.8	66.4	52.5	69.4	116.6	277.1
United States imports from Romania..	6.2	13.4	13.8	31.5	55.9	130.5
Total trade.....	23.0	79.8	76.3	100.9	172.5	407.6

Source: Department of Commerce, 1967-73: Bureau of East-West Trade "Quarterly Report Under Export Administration Act", 1974: Bureau of East-West Trade "U.S. Trade Status with Socialist Countries".

UNITED STATES ROMANIAN TRADE, BY PRODUCT, 1972-74

[In millions of dollars]

Commodity	1972	1973	1974
UNITED STATES EXPORTS			
Food and live animals.....	16.62	38.20	93.35
Beverages and tobacco.....	.2	0	.13
Crude matt, inedible except fuels.....	32.53	40.59	69.16
Mineral fuels, lubricants, related products.....	1.33	5.89	5.54
Animal and vegetable oils, fats.....	0	0	0
Chemicals.....	.91	5.69	7.94
Manufactured goods classified chiefly by materials.....	5.81	4.95	10.72
Machinery and transport equip.....	10.94	20.41	82.24
Miscellaneous manufactured articles.....	.79	.63	1.65
Commodities and transactions NEC.....	.11	.14	.38
Total.....	69.05	116.51	277.12
UNITED STATES GENERAL IMPORTS			
Food and live animals.....	4.88	7.72	11.16
Beverages and tobacco.....	.49	.04	.24
Crude matt, inedible, except fuels.....	1.10	.99	1.05
Mineral fuels, lubricants, related materials.....	8.75	15.76	80.24
Oils and fats, animal and vegetable.....	0	0	0
Chemicals.....	.44	.55	3.66
Manufactured goods classified chiefly by material.....	6.47	7.23	6.06
Machinery and transport equip.....	2.55	6.26	8.60
Miscellaneous manufactured articles, NES.....	7.16	16.80	19.15
Commodities and transactions NEC.....	.08	.35	.35
Total.....	31.49	55.70	130.52

PRINCIPAL ROMANIAN EXPORTS TO THE UNITED STATES WITH CURRENT RATES OF DUTY AND MFN RATES

Commodity	Amount (millions)			Duty rate (percent) ¹	
	1972	1973	1974 (11 mc)	Full	MFN
Petroleum products.....	8.8	15.8	16.6		
Footwear, except orthopedic ²	3.5	8.3	10.8	4.1-15.0	3-17.0
Canned hams.....	2.8	6.3	9.2	2.5	2.5
Petroleum, crude and partly refined.....			7.5		
Tractors.....	2.0	5.6	7.0	Free	Free
Clothing, not knitted or crocheted ³	1.2	3.5	3.4	8.0-90.0	8-35.0
Clothing, knit or crocheted ³6	2.7	1.8	21.0-42.5	45-90.0
Glass, drawn or blown.....	2.9	3.8	1.7	7.5-13.4	10-15.0
Wood furniture.....	1.5	1.5	1.6	5.0-42.5	5-16.0
Glassware.....	1.0	1.4	1.5	20.0-50.0	13-50.0
Organic chemicals.....	.4	.5	1.2	Free	Free
Nitrogenous fertilizer.....			.7	Free	Free
Cheese from sheeps milk.....	.8	.8	.5	35.0	9-12.0
Fish.....	.6	.2	.3	Free	Free

¹ Ad valorem equivalents are given for specific rates.

² The Department of Treasury initiated antidumping proceedings in 1974 and on Mar. 17, 1975 published its finding that Romanian well work shoes are being sold at less than fair value. The case will go before the ITC for an injury determination.

³ Bilaterally agreed limits.

PRINCIPAL ROMANIAN EXPORTS TO 13 NATO COUNTRIES, EXCLUDING THE UNITED STATES, 1969-73

(In millions of dollars, c.i.f.)

	1969-72	1973 ¹
Clothing and footwear ¹	82.2	105.3
Lumber and wood, including veneer and plywood.....	68.9	72.7
Food, including fruits, and vegetables and food.....	65.7	76.7
Petroleum products.....	61.1	87.3
Iron and steel, including plates and sheets.....	48.9	50.6
Furniture ¹	34.4	44.4
Chemicals ¹	33.8	28.9
Meat and meat products.....	31.6	84.5
Animal and vegetable fats and oils.....	30.3	31.4
Textiles ¹	27.4	33.6
Machinery.....	21.8	50.3
Live animals, cattle.....	15.8	47.8
Nonferrous metals.....	10.3	12.3
Total Romanian exports.....		852.6

¹ The European community and other Western European countries maintain quantitative restrictions against certain imports from Romania and other state-trading countries. These concentrate on the following product groups: chemicals and chemical products; rubber, leather, wood, and their products; textile articles; ceramics and glassware, and metal semimanufactures. In the case of Romanian exports to the United States, rights and procedures in article III and annex I of the proposed United States-Romanian Trade Agreement would provide a basis for imposition of special safeguards and restrictions.

² Excluding Iceland and Canada.

