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PERSPECTIVES ON DÉTENTE—AUSTRIA, ROMANIA, AND CZECHOSLOVAKIA

A REPORT

TO THE

COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE

BY

SENATOR GEORGE McGOVERN

JANUARY 1979

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LETTER OF TRANSMITTAL

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C. January, 1979.

Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The following pages constitute my report on a trip to Austria, Romania and Czechoslovakia this past summer, from July 9 through July 18, 1978, on behalf of the Committee on Foreign Relations.

As the report indicates, in each country my party was afforded warm hospitality and excellent opportunities to discuss the full range of bilateral issues with high ranking officials. In addition, I was most interested in gaining the unique perspectives of national leaders in Austria, Czechoslovakia and Romania on broader foreign policy matters of special concern to the United States. Prominent among those issues were the conflict in the Middle East and the prognosis for East-West détente.

I want to make special note of the talent and professionalism which I found in the American Embassies in each of these countries. The comprehensive briefings and administrative assistance arranged by Ambassador Milton A. Wolf and Frank Trinka in Austria, by Ambassador O. Rudolph Aggrey and John Tipton in Romania, and by Ambassador Thomas R. Byrne and John Evans in Czechoslovakia were invaluable in making this trip an informative and productive venture.

Sincerely,

GEORGE MCGOVERN.

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AUSTRIA

Both physically and politically, this central European country serves as a bridge between East and West. With an area just under that of the State of Maine, and a population of about 7½ million people, Austria shares borders with 7 countries, 3 of them—Czechoslovakia, Hungary and Yugoslavia—with Communist governments, and 4—Germany, Italy, Switzerland and Liechtenstein—oriented toward the West.

It makes sense, therefore, that Austria is vehemently neutral in international relations. In fact, that condition has been part of Austria's national law since 1955 when the Parliament legislated that "Austria declares of her own free will her perpetual neutrality" and that "in all future times Austria will not join any military alliances and will not permit the establishment of any foreign military bases on her territory." Both the United States and the Soviet Union have recognized this law, which followed closely upon Austria's reemergence as an independent state through the Austrian State Treaty of 1955.

The modern Austrian nation had existed earlier after World War I as a small portion of the former Austro-Hungarian empire. However, the trauma involved in that dramatic change in reach and power, combined with ruinous postwar inflation and then the worldwide depression, opened the way for the establishment of a dictatorship in 1933 under Chancellor Englebert Dollfuss. Dollfuss was subsequently assassinated, but the Nazis did not attain full control until 1938 when Austria was formally incorporated into the German Third Reich.

Austrian State Treaty

At the end of World War II Austria was liberated and occupied by forces of both the Soviet Union and the West. However, the zones of occupation were established expressly and solely for the purpose of maintaining control until a democratic Austrian government with exclusive nationwide authority could be created. In the 1945 elections the Communist Party managed to amass only 5 percent of the vote, while the conservative and Catholic People's Party won 50 percent and the Socialists took the remaining 45 percent. Under the 1955 Austrian State Treaty the Soviet Union returned to Austria all the German assets in the Soviet zone of occupation, and all occupation forces—those of the Soviet Union as well as those of the United States, Great Britain and France—were withdrawn. Also under the State Treaty, Austria compensated the Soviet Union to the extent of $150 million and with oil deliveries which continued until 1964.

Austria's governmental system has many features in common with other Western democracies. There is a popularly elected President whose functions, however, are mainly ceremonial. The Executive

authority rests with the Chancellor, who is the head of the party winning a majority in parliamentary elections. His Cabinet need not consist of members of Parliament. The Legislative branch is made up of the National Council, which is elected on the basis of population and holds almost all legislative powers, and the Federal Council, which is elected by the legislatures of the nine provinces. The Federal Council has limited power, principally to delay measures which have been approved by the National Council. The Judiciary is independent. The nine provinces also have their own governments, but with limited authority concentrated in such areas as supervision of welfare programs.

Except for State monopolies, the Austrian economy operates through a free enterprise structure. It is highly industrialized and heavily dependent upon foreign trade. Upwards of two-thirds of the country's workers are unionized. Austria's farmers produce enough to meet most of the country's food needs, but agricultural commodities are relatively expensive because of the high cost of farming in rugged terrain. Principal trading partners are members of the European Community, although Austria also has extensive trade relations with the Soviet Union and other Eastern European countries. United States-Austrian trade has recently been fairly balanced at a level of about $250 million each way.

Political Stability

While they have differing orientations, the two major parties do not seem to vary fundamentally on the most critical national issues. The Socialist Party is staunchly anti-Communist, and it has also managed to reverse its earlier anti-clerical stance in order to appeal to Austria's large Catholic following—about 90 percent of the population. Much of the Socialists' program for nationalization of the country's major industries has been accomplished, and the country also has an advanced system of social welfare including health, accident, and unemployment insurance. The People's Party, drawing its support from farmers and businessmen, takes a more cautious view but would not radically redesign the economic structure; rather, it proposes using more conservatively the extensive mechanisms for government intervention in the economy. The small right-wing Freedom Party and the Communists have not been a significant factor. While there have been periods of attempted coalition governments between the People's and Socialist parties, the Socialists have had sufficient seats since 1970 to form single party governments. Chancellor Bruno Kreisky is presently completing his second 4-year term.

The most controversial internal issue when I was in Austria was one which also has some connotations for bilateral United States-Austrian relations—the question of opening Austria's first nuclear power plant at Zwentendorf. The matter was complicated by American policy on nuclear fuel reprocessing since Austria has no extensive nuclear waste disposal facilities. The debate centered, however, on the question of safety. The issue was divisive for both parties, with Chancellor Kreisky and his principal supporters backing the project—but with some defectors, including the Chancellor's son—and with the leadership of the People's Party opposing the program. To resolve the matter it was put to Austria's first national referendum since World War II, and the first on a nuclear facility in Europe. The vote

on November 5 brought a 64-percent turnout, and a slight margin—50.5 percent against 49.5 percent—voted to scrap this $530 million facility. The nuclear program was expected to fill nearly all of Austria's electric power needs, so the defeat will require significant recasting of economic plans. In addition, since Chancellor Kreisky had placed his prestige so strongly behind the project, the vote was widely read as a personal setback for him as well as a defeat for the Socialist Party. In the days immediately after the vote, it was speculated that the Chancellor might treat it as an expression of "no confidence" and resign. Mr. Kreisky is a talented, impressive leader, however, and a man obviously endowed with excellent intellectual and personal leadership qualities.

Active Diplomacy

In international affairs, as noted above, Austria holds firmly to the stance of neutrality. That does not, however, translate into a policy of noninvolvement. On the contrary, Austria conducts a highly active and far-reaching form of diplomacy, and Chancellor Kreisky is a member of the prestigious senior leadership of the international socialist movement. For a small country situated on the East-West frontier, this is a matter of conscious national strategy. In our meeting in Vienna, Austrian Foreign Minister Willibald Pahr explained that "we had the experience in 1938 when we disappeared from the map, and there was practically no reaction in the world. We tried to learn from it, and this explains our active participation in the United Nations and in international politics."

A vigorous foreign policy substitutes for any attempt to build sizable defenses, which the government believes are beyond the country's resources anyway. Chancellor Kreisky thus seeks a greater role for the neutrals in European decision-making. Vienna is the host country for a number of international bodies including the United Nations Industrial Development Organization, the International Atomic Energy Agency, and the Organization of Petroleum Exporting Countries. With Geneva and New York, Vienna has been officially designated a "Third U.N. City," and the government constantly presses for the location of United Nations specialized agencies there. United Nations peacekeeping contingents on Cyprus and in the Middle East include Austrian soldiers. United Nations Secretary General Kurt Waldheim is, of course, a native of the country.

If Austria does not choose sides between opposing European alliances, it is nonetheless clear that it has a great many values and interests in common with the West. As an example, Chancellor Kreisky has been an outspoken champion of Soviet and East European dissidents, a posture which has brought an acrimonious response particularly from Czechoslovakia, whose leaders resent Mr. Kreisky's vocal support for the Charter 77 dissident movement. Austria continues, too, to provide transit facilities for Jewish emigrants from the Soviet Union.

At the same time, the country's leaders understand that Austria's security depends upon the prevention of an East-West military confrontation in Europe. They therefore maintain continuous scrutiny of NATO's posture compared to the Warsaw Pact and of the United States commitment to NATO. Presumably because of this interest,

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as well as on the basis of practicality in seeking a solution on Cyprus. both Foreign Minister Pahr and Chancellor Kreisky advised that the United States should remove the arms embargo against Turkey. That issue was to come up in the Senate shortly after my return to the United States, so I was anxious to have their thoughts. The Chancellor noted that the United States was supplying arms to Turkey despite the embargo so it had become more symbolic than substantive anyway. And he pointed out that with Turkey's strong army it would be in the interest of NATO to keep that country in the NATO camp rather than watch it turn increasingly to the Soviet Union.

Doubts on Détente

In the same realm, Austrians are not particularly trusting of Soviet motives in pursuing détente. Foreign Minister Pahr suggested that the Soviets need a peaceful situation in Europe because "they have an unstable situation on the border with China. One of their main interests in Europe is to guarantee the status quo." Dr. Pahr also observed that détente may have become unpopular in the West because too much was expected. "There was to some extent an overreaction in the Western countries when one found out the world hadn't changed between Helsinki and Belgrade." In this setting he saw President Carter's emphasis on human rights as a positive development. "When Helsinki was over we forgot in the Western countries that there is an ideological struggle to be continued. The aim of détente was considered in the Western countries as 'peace without war.' In the Eastern countries détente was considered 'victory without war.' There is a big difference. So it was important to have this initiative of President Carter to speak about human rights." The Foreign Minister cautioned, however, that our purpose in raising the issue must be carefully understood. "Human rights have been used as a means for political ends. They should be a means for ideological ends. We do not use human rights as a political tool. We use it to help people who are oppressed."

Dr. Pahr also pointed to Soviet efforts to achieve influence in developing countries as evidence of continuing competition. But in my meeting with Chancellor Kreisky, the Austrian national leader suggested that the United States should not overreact to the Soviet-Cuban activity in Africa. He observed that the Soviet Union does not really have the capacity to establish an important military presence there, and he agreed with analyses contending that Soviet conduct would likely give them less influence in the long run rather than more. In any event, the best U.S. response, in his view, would be to cooperate with other countries in diplomatic and economic initiatives. The West, he believes, should develop a "Marshall Plan for Africa" with close economic cooperation to support economic development. As an overall objective, we need to "help the third world to become consumers in such a way as to strengthen the entire world economy, including the economies of the West."

My discussions with both Chancellor Kreisky and Foreign Minister Pahr also included useful exchanges on the Middle East. The Chancellor had met just a few days earlier with Egyptian President Anwar Sadat, who was vacationing in Salzburg. It was clear that the Austrian

government has good credibility with both sides in the Middle East conflict, and Chancellor Kreisky had insights which should have been most helpful to the peace process.

Bilateral relations between the United States and Austria are generally very good. Occasionally there are problems in connection with our commercial relations, but they have not interfered with the overall atmosphere of friendship. As a gesture in connection with the U.S. Bicentennial celebration, Austria presented academic chairs for the study of political science at Stanford University and the University of Minnesota. The government will also help bear the cost of the Vienna State Opera's visit to Washington in 1979.

One U.S. administrative matter bearing on our relations with Austria was the decision to close the U.S. consulate general in Salzburg, which was made formally in November. When I learned that the Salzburg post might be on the termination list, I pursued an inquiry on the issue with Under Secretary of State for Management Ben Read. Budgetary constraints are always a factor, but I nonetheless consider it regrettable that the Salzburg mission is to be closed. Correspondence bearing on this matter is printed in the appendix of this report.

ROMANIA

Romania's name underscores the cultural identity its population claims as descendant not of Slav or Magyar origin but of the Roman civilization. The majority of the country's people, as well as its language, are characteristically similar to the Italian, the French and the Spanish. The influence dates from Romania's second and third century status as a colony of Rome, and it remains as a highly visible feature of today's society. Until the Communist regime took power after World War II, Romania's main international contacts were in Western Europe, predominantly with France, rather than with its closer neighbors.

Independent since 1881, the Romanian kingdom was confronted in the 1930's, and King Michael was displaced in the early war years, by a Fascist Iron Guard movement featuring a fierce anti-Semitism and rigid hostility toward the Soviet Union. Its leader, General Antonescu, then led the country into World War II on the side of the Axis powers. However, King Michael was supported by the army in a successful counter-coup in August of 1944, and within a month the country was back in the war on the side of the Allies, fighting German forces in Hungary, Transylvania, and Czechoslovakia. Romania sustained heavy losses in both phases of the conflict.

The peace was to prove costly, too. The peace treaty of February 10, 1947, confirmed Soviet title to the northeastern territories which the Soviets had annexed in 1940. Reparations to the Soviet Union were also required. And some southern territory was granted to Bulgaria. At the same time, Romania did regain a portion of northern Transylvania which had been granted to Hungary in 1940.

In the days immediately after the war, under the tutelage of Soviet occupation forces, King Michael appointed a Communist front government. The King abdicated in 1947 when the Romanian People's Republic was formally declared. For more than a decade the country's course was to be chosen in Moscow as much as in Bucharest.

By 1978, however, Romania had changed dramatically, to a posture which was strikingly different from the norm among Eastern European countries.

Many features, particularly the internal political and economic structures, remained orthodox. The government is highly centralized around the Romanian Communist Party whose Secretary General, Nicolae Ceausescu, is also president of the Republic, and there is a heavy crossover between the Party's most influential bodies and the top positions in the government. Ceausescu is also the leading official of the Socialist Unity Front, an umbrella administrative organization covering the Party and a number of other political units. Legislative power, meanwhile, was vested by the 1965 Constitution in a 349-member Grand National Assembly, which meets several times a year.

Between sessions its authority rests with a standing Council of State, which legislates subject to GNA ratification.

Economically, Romania still follows, with few exceptions, the familiar East European pattern of heavy capital investment aimed at rapid industrialization. In 1977 nearly 40 percent of the national income was devoted to investment. This has led to enviable growth rates—in 1977, despite a ruinous earthquake which caused between $1 and $2 billion in losses, Romania's national income went up by 8.6 percent, and industrial output grew 12.5 percent. These rates apply to bases which are, for Europe, in the low range. With a population of just under 22 million, Romania had a Gross National Product of less than $28 billion in 1976, and its leaders still categorize Romania among the less developed countries, or LDC's. Government planners project that they will attain "medium developed" status by 1985. Nonetheless, growth rates of 8 to 10 percent are plainly impressive, especially when contrasted with the economic stagnation which took place elsewhere in Europe during the same period.

There is evidence that these priorities are not universally applauded in Romania. The neglect of consumer products in favor of capital investments has generated demonstrations of popular unhappiness, which in turn may have played a role in stimulating the economic reform package announced by President Nicolae Ceausescu in March. The rate and method of implementation are not yet clear, but elements of the new program will include profit sharing, more worker participation in management, and other experiments in decentralization.

Nationalism and Independence

Notwithstanding some dissatisfaction on the economic front, President Ceausescu has managed to sustain a personal following on the basis of separate qualities which have made Romania truly distinctive among Warsaw Pact countries—strong nationalism and a decided preference for independence in international affairs.

Soviet troops were withdrawn in 1958, and a broad move to disconnect from Soviet influence was undertaken in 1961 under Party Chief Gheorghe Gheorghiu-Dej. Since then Romania has pursued an emphatically independent course in foreign affairs. The trend was continued and strengthened by Nicolae Ceausescu who assumed power after Gheorghiu-Dej's death in 1965.

The central theme of Romanian foreign policy is an aspiration to have friendly relations with all countries. Its diplomats now have credentials in 130 other nations. That includes Israel, making Romania the only Warsaw Pact member to have normal relations with that country in the years following the 1967 Middle East war. Partly as a result of the continued relationship, and also because of an aggressive and visible approach to diplomacy, Romania was able to play a very useful role in 1977 in facilitating negotiations between Egypt and Israel.

The approach of avoiding exclusivity in diplomatic contacts is also employed toward the People's Republic of China. In August of this year, Chinese Communist Party Chairman Hua Kuo-feng was warmly welcomed in Romania by President Ceausescu. Just a few days earlier Ceausescu flew off to meet with Soviet President Leonid Brezhnev at his Black Sea resort, presumably in an attempt to quiet some of the

distress the Soviets unquestionably felt about the forthcoming Romanian hospitality toward a bitter rival of the Soviet Union. Ceausescu's lively interest in a China connection is widely interpreted in the West as a hedge against any renewal of Soviet efforts to dominate his society.

That resistance probably began over economic priorities. Because of its hospitable climate, the Soviet Union selected Romania, among countries within its sphere after World War II, to remain essentially an agricultural society with a food producing capacity maintained to serve Soviet needs as well as its own. Thus the decision to stress industrialization was taken over Soviet opposition.

Economic Contacts

These origins of Romanian independence are still very much in evidence. Though a member of the Council for Mutual Economic Assistance (CEMA), Romania continues to oppose and avoid the kind of economic integration which would inhibit the country's ability to pursue wide-ranging economic contacts. In CEMA Council sessions, Romania has objected to such adjustments as majority rule rather than unanimous decisions and restrictions on the ability of members to negotiate bilaterally with the European Community. On overall trade, Romania now conducts less than half of its commerce with the Communist world, as compared to some 83 percent after the war. Only 35 percent of its trade is within CEMA. While broadening contacts with the industrialized countries of the West, the country has also identified strongly with developing nations and has become a leading proponent of the principles making up the New International Economic Order.

But Romania's independence is not confined to the realm of trade. Though the country remains a member of the Warsaw Pact, Romania has abstained from military integration and has not allowed combined Pact operations on its territory. The country not only refused to participate in the 1968 invasion of Czechoslovakia, but Romanian leaders publicly deplored that operation. Politically, the same leaders have also criticized Soviet efforts to continue as leader of the world Communist movement and have strongly supported the right of Eurocommunist parties to choose their own doctrines and strategies. Indeed, Romania maintains guest status at meetings of nonaligned countries. If it is assumed that the chief Soviet motive in Eastern Europe is the widest possible ring of dependable neighbors arrayed in a defensive alliance, then Romania—given its location as an immediate Soviet neighbor—can well be seen as engaged in a continuous test of the tolerance, or perhaps the realism, of Soviet leadership. Certainly Romania is no threat to the Soviet Union. On the contrary, President Ceausescu obviously wants good relations with the Kremlin. But it is also obvious that his independent international posture is extremely popular. Any Soviet effort to change it by force would doubtless meet with vehement public resistance.

If the goal of Romania is to enhance its independence through diversified contacts around the world, then it is logical that good relations with the United States should be an integral part of the strategy. That is, indeed, the case. From the time Bucharest began loosening its ties with Moscow, United States-Romanian relations have steadily improved. As long ago as 1960, through an agreement

partially settling property claims and the beginning of cultural, educational and scientific exchanges, the two countries began looking for ways to accommodate each other's interests. In 1964 diplomatic relations were raised to the full ambassadorial level.

Pioneering Détente

The greatest progress came, however, under the Nixon Administration's strategy of détente which, it might be said, flourished first in Romania. In August of 1969, President Nixon became the first American president to visit postwar Eastern Europe, and Romania was the host country. That trip produced agreement for the creation of a Romanian library in New York, a U.S. bank office in Bucharest, and also a U.S. library in Bucharest. The latter facility, which I visited this past summer, was opened in 1972. It is unique in Eastern Europe—the only American informational facility located separately from the American Embassy in that part of the world. It is exceptionally well-maintained, stocked and operated.

President Nixon's trip was followed by visits to Romania by President Ford, Secretary of State Rogers, Secretary of State Kissinger, and other members of the U.S. Cabinet. Romanian officials have made a series of return visits to the United States. President Ceausescu has been to the United States four times, most recently in April of 1978. (See appendix for Joint Communique issued by Presidents Carter and Ceausescu.) In 1972 the foreign ministers of the two countries signed a consular convention to ease protection of citizens and property, and the United States made Romania eligible for Export-Import Bank credits and extended coverage for guarantees of the Overseas Private Investment Corporation. That was followed in 1974 by a broadened agreement for scientific, cultural, educational and technical exchanges.

Among these contacts the Romanian officials with whom I met placed special emphasis on their satisfaction with agricultural exchanges and trade, an area which is also of special interest to me. As noted earlier, Romania since 1948 has placed its first investment priority on industrial development. The growth in farm productivity, therefore, has not kept pace with industrial productivity. In thirty years the latter has gone up forty times; the former only three. In recent years there has been an effort to redress this relative neglect of the farm sector. While industrialization is still stressed, I was told that there is a rapidly growing interest in applying modern techniques to the farm structure.

In our meeting in Bucharest, for example, Nicolae Giosan, the president of the Grand National Assembly, told me of ambitious plans to bring 2 million hectares under irrigation by 1980, 3 million by 1985, and 5 million by 1990, so that roughly half of the nation's farmland will be receiving water either from the Danube River or from a number of artificial lakes. Mr. Giosan, who is also president of the Academy of Agricultural Sciences of Romania, also described the development of internal industries for the production of farm equipment, and plans for producing agricultural chemicals. Noting that climate and soil conditions in Romania are similar to those in the American Midwest and Plains, he stressed that "we are deeply interested in scientific cooperation with you, both industrial and agricultural." He described existing programs, both with government and

private industry, involving the work in the United States of some 250 Romanian agricultural specialists each year, some of whom spend a full year working on farms. One former participant in these activities, he pointed out, was Agricultural Minister Angelo Miculescu. Mr. Giosan described the exchanges as "a very great influence and a good experience for us. We can take certain techniques of the United States and apply them to Romania." He recalled that as long ago as 1928 a Romanian specialist obtained, through Kansas State College, a new assortment of winter wheat which was called "American 15." It was cultivated successfully for 20 years. He also noted his own experience in 1957 as head of the effort to introduce hybrid corn in Romania: "I got in touch with the agricultural colleges and also with Des Moines. We brought to Romania Pioneer 301 which we cultivated. A reporter from the New York Times came and he was impressed by the beauty of this hybrid corn and he thought about it and said, 'This is the best propaganda the United States can have.' "

Agricultural Exchange

Both in this meeting and in a later session with Agricultural Minister Miculescu, I explored the prospects for expanded agricultural exchange programs. I also suggested that they consider including South Dakota State University in Brookings, which has extensive facilities and experience working on agricultural production in climatological and soil conditions very similar to those in most parts of Romania. Both officials expressed an interest in following through. Mr. Miculescu told me that if possible they would like to increase the number of students coming to the United States and also to diversify their experience. He mentioned in particular the need for training on techniques through which one man can work 400 to 500 acres or more, which is not available in Europe but which can be studied under practical applications in the United States. He also indicated an interest in irrigation experiments. Since the time of my visit my staff and I have been in frequent touch with Romanian officials in Washington, as well as with specialists at South Dakota State University, to explore possible additions to the agricultural exchange program with Romania.

The agricultural discussions also touched on the outlook for agricultural trade in the current crop year. I was told that while the harvest was relatively good, "we could not achieve what we expected," mainly because the corn was very late. Therefore, while they have ample quantities of wheat for food for their own people, they did anticipate a need for importing feed grains to support the livestock industry. Earlier, during a visit to Romania in June by Secretary of Agriculture Bob Bergland, a joint communique issued by the Secretary and Minister Miculescu acknowledged the extension of Commodity Credit Corporation credits for the purchase of 100,000 tons of soybeans in fiscal 1978, and anticipated consideration of credits for as much as 250,000 tons of soybeans in 1979.

Agriculture is clearly an area of major mutual interest between the United States and Romania. Farm commodities dominate the growing trade between the two countries, and that will continue to be the case for some time to come. I was heartened by the extent of present cooperation—I was told, in fact, that the United States has more cordial relations with the Ministry of Agriculture than with any

other branch of the Romanian government—and I hope our government will make every effort to build on these programs. If necessary, I expect to offer amendments to existing exchange and training programs of the United States, or to propose new programs, to permit scholarships and other forms of training assistance at American universities and on American farms. For both political and humanitarian reasons, there is no form of collaboration which can do more to advance our interests in good relations with Romania.

Another indicator of improving United States-Romanian relations is the growth of trade generally between the two countries. From only $65 million in 1961, the two-way trade total climbed to $493 million for 1977 and was expected to reach close to $700 million in 1978. The two countries have set a target of $1 billion in trade by 1980. While growing in volume, the trade has also broadened in content, with U.S. exports branching out from agricultural goods into such areas as machine tool parts, oil and gas separation equipment, and rolling mill machinery.

MFN Status Granted

Trade expansion has been facilitated by Romania's acceptance in 1975 of Most Favored Nation status under the terms of Section 402 of the Trade Act of 1974, which links trade with emigration policies and calls for an annual review of Romanian performance in that regard. In addition, Romania has, since 1972, been eligible for Export-Import Bank credits which have made U.S. sales somewhat easier. Until 1978, when the same status was made available to Hungary, Romania was the only Communist state willing to accept MFN under the restrictions Congress has imposed.

Those restrictions are not warmly greeted, however. Several Romanian officials stressed in particular to me that the requirement for annual review is disruptive of longer term transactions and of economic planning. They have been urging that we shift to a review either every three years or at indefinite intervals. They also express some impatience over U.S. export licensing controls which tend to inhibit the purchases of advanced technology which interest them most. On both matters U.S. diplomats will continue to hear urgings from their Romanian counterparts. At this stage it is difficult to anticipate any major developments on export licensing other than to apply the program as liberally as possible consistent with U.S. security concerns. As someone who is very dubious about the merits of the wholesale linkage between emigration policy and MFN, I think it would be eminently reasonable to adjust the review process so that once a favorable decision on MFN is made with respect to a particular country, we do not further inhibit trade through the possibility of disruptions in the national planning processes of our trading partners.

The granting of MFN does not, of course, signal that the United States is fully satisfied on emigration policies, and it does not even address other human rights practices that must be of concern to subscribers to the Helsinki Basket III principles and especially to countries, like the United States, seeking to advance human rights standards throughout the world. After comparing Romanian practices to those of other nations which have been denied MFN status, it is hard to escape the conclusion that in this case political considerations—notably Romania's independence from Moscow—have counted for

far more than any effort to objectively weigh human rights progress against consistent standards. Like most of its neighbors, the Romanian government staunchly resists the notion that any of its citizens have a "right" to emigrate. Family reunification is one acceptable reason, but even then applications are discouraged by lengthy procedures and by requirements that virtually all personal property be relinquished before a passport can be received. Nevertheless, despite these obstacles, it must also be noted that there has been a dramatic improvement in the record on emigration in recent years. Permanent departures of Romanians to the United States have reached totals of 1,200 to 1,500 per year.

Another area which has been of concern in the human rights field is the status of minorities—some 1.7 million Magyars, plus up to 300,000 ethnic Germans and smaller numbers of Jews, Ukranians, Turks, Serbs, Russians, Croats and Bulgars, together comprising nearly 12 percent of Romania's 22 million people. The government policy is to insist upon economic integration but to permit at least some degree of cultural autonomy. The Romanian language is compulsory in schools, for example, but minority languages are also taught. On non-U.S. emigration, up to 10,000 ethnic Germans per year have recently been departing for Germany, and an estimated 300,000 to 350,000 Jews have emigrated to Israel since the end of World War II. The recent slowdown in Jewish emigration is explained by the fact that the Jewish population has already been reduced by some 80 percent. However, this is an issue upon which the governments of both the United States and Israel continue to make representations.

Middle East Interest

General foreign policy questions dominated my separate discussions with President Ceausescu and Minister of Foreign Affairs Stephan Andrei. The session with Minister Andrei was devoted almost entirely to the situation in the Middle East, a matter to which Romania has devoted a great deal of diplomatic attention. He felt that President Sadat's visit to Jerusalem had been a development of fundamental importance, and declared that "we are supporters of the idea that all of the disputes should be resolved directly."

Mr. Andrei did not anticipate that a simple visit would solve very complicated issues. But he saw it as an opening. His government's hope was that "an understanding should be reached between Egypt and Israel which would open the way for a meeting with participation of all other parties, including the United States and the Soviet Union, under the auspices of the United Nations." But he said the prospects for continuing the process would depend on the then-forthcoming foreign ministers' meeting in London.

The Foreign Minister expressed very forcefully his government's view that a true peace could not be had in the Middle East without a solution to the Palestinian problem—"even if there were to be agreement on the total withdrawal of Israeli forces from the Arab territories before 1967, and even if there were creation of security guarantees for all states including Israel." He said this was not a problem that could be solved in negotiations involving only Egypt and Israel. I asked then, if, based on Romania's contacts with the Palestinians, he felt they would accept a settlement that confined Palestine to an entity on the West Bank and Gaza area, or would they simply use it as a

base to continue pressing their case against Israel. He saw it as a complicated problem because "the Palestinian movement reflects the contradictions of the Arab world. Arafat and the dominant forces in the Palestinian Liberation Organization are in favor of negotiations and they have succeeded in making this the position of the Palestinian Council in the last session. . . . After this meeting, Arafat has a mandate to participate in negotiations." Minister Andrei contended as well that the PLO should be accepted by Israel as a legitimate voice for the Palestinian people: "Certainly the PLO does not represent the totality of the Palestinian population. How many governments represent their countries by only 55 percent of the population? But the PLO should designate the representative of the Palestinians in the negotiations. My President has already said that if it were not for the PLO, those who wish for peace in the Middle East should have fought for the creation of this organization in order to have a partner for the discussions that could represent a majority of the will of the Palestinians." He also saw a contradiction in Israel's position of refusing to negotiate with the PLO until it gives up Point 20 in its Charter, while at the same time saying with respect to "all other countries, including Egypt, that they want to have discussions without preconditions."

President Ceausescu

On the last full day of my visit I traveled with our Ambassador to Romania, O. Rudolph Aggrey, to a resort on the Black Sea near Constanta for a meeting with President Ceausescu. We talked for nearly one and one-half hours. The range of his knowledge on international issues underscored once again his determination that Romania should have a considerable influence on global matters.

President Ceausescu is recognized among the world's leading proponents of arms control. The Foreign Minister had told me earlier that this subject "is a constant preoccupation for my President. There is no public speech without a reference to the disarmament issue. We are not content with what has been achieved." The President himself reinforced that view when I asked for his reaction to the 1978 United Nations Special Session on Disarmament, at which Romania had advanced its own comprehensive proposal for dismantling alliances and phasing down arms stockpiles. He told me that "people everywhere want the great powers to arrive at an arms reduction agreement." He thought that if a SALT agreement could be reached before the 1978 elections, it might be a help to Democratic candidates.

At the same time, the Romanian leader recognized that a SALT agreement, though significant, would not solve all disarmament issues, and he anticipated that both major powers would continue for some time to pursue equilibrium based on a policy of strength. However, he said the pursuit of détente required, first of all, that the nuclear arms race be ended, and then that there be a halt in the production of mass production weapons.

In this context, President Ceausescu was not disappointed in the results of the Special Session on Disarmament; rather, he thought "positive results" would follow, and he was especially pleased with the participation of the People's Republic of China and France. While the Romanian package of proposals did not receive a great deal of attention as a unit, he noted that many of its separate provisions were in documents adopted by the SSOD, and others are included in

recommendations for future action. He had not anticipated that the Session would lead to concrete actions toward disarmament. Rather, he said, its purpose was to provide a forum for a presentation of various states' positions and to establish a new, more democratic framework for arms control discussions so they would no longer be the exclusive preserve of the great powers. "All states," he said, "must be responsive to public opinion at home and abroad in establishing disarmament policy."

In line with his country's insistence upon the right to an independent foreign policy, President Ceausescu reserved special attention in his comments to the question of military blocs and alliances. It is very important, he said, that the "two power blocs—NATO and the Warsaw Pact—begin reducing their arms and their role in the world." In his view, each country should be treated as an independent unit, rather than as a member of a bloc. Therefore, he expressed opposition to President Carter's proposals to build up NATO. "There is no reason for it," he said, "and I would also be opposed to a Warsaw Pact buildup. I do not think it is good for the world to be divided this way."

By the same token, he expressed concern over the beginnings of United States-Soviet competition in Africa, which he saw as detrimental to the countries involved and also hazardous from the standpoint of world peace and stability.

Since he had just returned from a visit to a number of Asian countries, I asked the President for his thoughts on the political outlook in that region. He had a number of observations:

Romania's relations with North Korea remain very good, and the North Korean Premier, Kim Il Sung, is most interested in normalization of relations with the United States. The problem, of course, is the question of reunification and the nature of relations with the Park government in the South. President Ceausescu believed that although arrangements would be difficult, it would not be impossible, under the right conditions, to have direct talks between North and South Korea. Kim's position calls for changes in South Korea, including legalization of the activities of all political parties, presumably including the Communist Party, as a precondition. The Romanian leader expressed hope that the United States would press the Park government in favor of reforms which would allow the beginning of a direct North-South dialogue.

Vietnam, he said, is very desirous of normal relations with the United States. They want and expect economic assistance, but are flexible on the amount and the kind. They are prepared to do all they can on the question of accounting for missing-in-action personnel. President Ceausescu felt that the negotiation of an agreement between the United States and Vietnam would strengthen the prospects for peace in the area.

On Cambodia, the President said he felt the reports on wholesale killings were vastly exaggerated. The absence of outside help and the destruction brought by the war created an economic and food crisis which forced the government to take drastic measures, particularly to move people from the cities onto the land, he said. It amounted to a forced movement and forced labor. But there had been results,

since Cambodia had once again become a rice exporter. He did indicate that he had not visited many localities in Cambodia, but he believed nevertheless that reports of widespread systematic brutality there were not reliable.

Our discussion concluded with a strong reiteration of a point President Ceausescu had made earlier about the need to strengthen European security on the basis of arms control and disarmament rather than on the basis of blocs. And he expressed his firm hope for continued improvements in United States-Romanian relations.

CZECHOSLOVAKIA

This Eastern European country—mainly through two prominent historical events—has had a dramatic impact on American perceptions of and policies toward the rest of the world.

The first event was in September of 1938 in Munich. There the United Kingdom, Germany, France and Italy insisted that Czechoslovakia transfer border areas known as the Sudetenland to Germany, on the theory that this would satisfy Hitler's territorial aspirations. Barely 6 months later, Nazi Germany invaded and subjugated the rest of Bohemia and Moravia, and established a puppet government in Slovakia, thereby gaining control of one of Europe's most productive industrial regions. The "sellout at Munich" came to be seen as one of history's most shameful diplomatic episodes and as a fundamental cause of the ultimate destructiveness of World War II. Neville Chamberlain's umbrella became a symbol of appeasement. The "lessons" of Munich were burned into our national consciousness. A quarter of a century later those memories unquestionably had a great deal to do, for example, with both the leadership judgments and the political climate which led us, in totally different circumstances, to become so deeply and tragically involved in the war in Vietnam.

Prague Spring

The second event was the "Prague Spring" of 1968, and the forcible removal of Alexander Dubcek by troops of the Soviet Union and other Warsaw Pact nations. Dubcek, a loyal Communist who had joined the Party during the German occupation, was elevated to First Secretary in January of 1968 for a number of reasons, not least of which was dissatisfaction among Party leaders with the conservatism and rigid orthodoxy of his predecessor, Antonin Novotny. Within a few months an action program had been set forth envisioning a much more liberal Czechoslovak society with guarantees of freedom of speech and the press, travel, religion, and assembly. The government was to be separated from the Communist Party and a multiparty political system would be permitted. The program also outlined general principles for far-reaching economic reform.

Dubcek continued to emphasize Czechoslovakia's community of interests with the Soviet Union and support for the Warsaw Pact alliance. He tried to stem anti-Soviet rhetoric and writings from Czechoslovak intellectuals. But his government also expressed a desire for political and economic contacts with other countries regardless of the nature of their systems. Gradually the spirit for change and liberalization developed a strong popular following and a momentum of its own. The release of the tendencies for free discussion and political activity which had been repressed for so many years simply could not be easily confined.

From the Soviet perspective, and also in the view of Party hard-liners in Czechoslovakia, things had gotten out of hand. Hence, on August 20, Soviet troops—accompanied by forces from Bulgaria, Hungary, Poland and East Germany—invaded and occupied the country.

Dubcek's reform leadership responded with incredulity, declaring that no foreign troops had been invited and that the action was a violation of Soviet-Czechoslovak agreements, international law, and the United Nations Charter. After the fact, and after members of the leadership were forcibly removed to the Soviet Union, Soviet Premier Kosygin and Czechoslovak Premier Oldrich Cernik signed a treaty permitting the "temporary" stationing of Soviet troops in Czechoslovak territory. At the same time the Czechoslovak leadership was forced to reimpose censorship and terminate virtually all of the Dubcek reforms. In April of 1969 Dubcek was removed from his leadership position and by September he had been forced out of the Presidium. Popular discontent, evidenced by demonstrations and other manifestations of resistance, was contained by the continued presence of some 75,000 Soviet troops.

If Munich instilled in Americans a revulsion at anything that even looked like appeasement, the 1968 events in Czechoslovakia created a lasting impression of how the Soviet Union is capable of treating such precepts as national sovereignty and self-determination. Of course it was not unique in our experience, nor was it at odds with Soviet doctrine on international proletarianism. The postwar history of Eastern Europe demonstrated plainly that Soviet interests were to be considered first, and those of indigenous peoples later, if at all, in the countries the Soviet Union liberated from the Nazis. But all of that happened in an earlier era. The actions in Poland and Hungary, too, were within the reach of the Stalinist period. After watching events in Europe in the Khrushchev years, when terms like "co-existence" had gained wide currency, the action in Czechoslovakia came as a brutal shock to many Americans. Certainly there was still plenty of evidence of evolution in Soviet policy. But here was the most chilling possible demonstration—more than a decade after Hungary and Poland—that not all that much had changed after all. This action, too, has had a powerful and lasting impact on American perceptions. In particular, it has greatly strengthened the credibility of those in any context—whether it is SALT, Africa, or European security—who hold the darkest suspicions of Soviet objectives and methods.

Democratic Tradition

The geometric development of the "Prague Spring" movement is traceable to an important phase in Czech history. After several hundred years of rule by the Austrian monarchy, the Czechs joined with the Slovaks, who had been under the domain of Hungary for 1,000 years, in establishing a new independent Czechoslovak state. It was, between 1918 and 1938, the only parliamentary democracy in Eastern Europe. That experience meant that the reform movement of 1968 was not a matter of experimentation by intellectual idealists, but a broadly based effort aimed at restoring a democratic tradition which had been undone by successive occupations. That may explain why it inspired such fear in the Kremlin.

In the years following the fall of Dubcek there was some expectation that if abrupt reform would not be tolerated, at least there could be a gradual liberalization of society. To be sure, Gustav Husak, who became General Secretary of the Party, had joined in signing a communique with the Soviet Union which rationalized the invasion and excused the stationing of Soviet troops in Czechoslovakia on the premise that they were necessary to assist in the defense of the border with West Germany. But Husak had also compiled a moderate image. He had been a supporter of Dubcek and was widely admired among Czechoslovak youth as a courageous victim of imprisonment during the Stalinist era. But whether because of lack of inclination or constant Soviet pressure, even the expectations of modest or gradual change were not to be fulfilled. Instead, the Czechoslovak Party's ranks were thinned by the removal of those who had assisted in Dubcek's rise, and General Secretary Husak, who also became president in 1975, moved steadily to assure complete cooperation with his Soviet backers.

The country was in a condition of some uneasiness when I visited there this summer because of the coincidence of two anniversaries, one to be celebrated officially, the other not. 1978 was the 60th anniversary of the founding of the Czechoslovak state in 1918. The United States played a prominent role in that event. It was accomplished on the basis of one of President Woodrow Wilson's Fourteen Points, declaring the right of ethnic groups to form their own states. Further, the founding father and national hero of Czechoslovakia, Thomas Masaryk, had lived in the United States during the war, and much of the groundwork for establishing the state was laid here. So the 60th anniversary celebration raised concepts leading toward accommodation.

At the same time, however, 1978 marked 10 years since the Prague Spring and the invasion by Warsaw Pact "Allies." This anniversary was marked by dissidents in Czechoslovakia and their supporters elsewhere in the world, and it contributed to an atmosphere of tension in Prague. The government was thought to anticipate demonstrations which might have led to violent confrontations.

In the end the anniversary was observed peacefully. The leaders of Charter 77, a dissident group described more fully below, issued a document deploring the military intervention and enumerating the international agreements which were violated. The document also referred to the *post facto* agreement which Czechoslovak leaders signed, noting that it provided that "Soviet troops were to remain temporarily." The Charter 77 statement wondered why Soviet troops were still present. In advance of the anniversary, meanwhile, the Soviet paper Pravda set forth the official view that the Soviet action prevented World War III. The article contended that the Dubcek liberalization was part of a plan hatched in the United States under which Czechoslovakia would turn to the West first, then Poland's government would be overthrown, the two Germanies would be reunified, and then an attack on the Soviet Union would be launched.

In 1978 it is still impossible to find any meaningful discrepancy between the foreign policies of the Soviet Union and Czechoslovakia. With that of East Germany, the Czechoslovak government is generally regarded in the West as the most subservient to Moscow in all of the Communist world.

Identity of Interests

In a comprehensive discussion during my visit there, Mr. Vasil Bilak, a member of the Presidium who exerts control over foreign policy, vigorously disputed this premise. He said that "propaganda often says we are a satellite. We should take propaganda for what it is. The Czechoslovak Socialist Republic is an independent sovereign state. It follows its own foreign policy but, as the foreign policy of the U.S.S.R. corresponds to our interests, we coordinate our own policy with theirs." Mr. Bilak recalled Czechoslovakia's pre-war alliance with Great Britain and France under which "they were to guarantee our security. But then there was the Munich betrayal. We had a strong army and were determined to defend ourselves. Hundreds of thousands died in concentration camps. So we looked for a strong and reliable ally and found it in the Soviet Union. From this flows our orientation today." (I agreed with his assessment of Munich, but suggested that another mistake had been the Hitler-Stalin Pact. The response probably had something to do with the fact that Mr. Bilak was generous enough with his time to continue the discussion for some 3 hours, from 6 o'clock until nearly 9 o'clock on a Friday evening. He is a self-assured and forceful spokesman who plainly enjoys a spirited debate far more than a bland recitation of positions.)

Mr. Bilak is a prominent member of a powerful national party and government which are, in essential structure and orientation, not dissimilar from other Eastern European societies. The one unusual feature is that there is a distinction between the federal government and the two separate Czech and Slovak national governments. Legislative authority rests with a bicameral Federal Assembly made up of a Chamber of the People elected on the basis of population and a Chamber of the Nations selected in equal parts by the Czech and Slovak National Councils. Administrative power at the federal level belongs to the President and his Cabinet, which he appoints with the approval of the Assembly. But real power rests with the Communist Party which selects—through the National Front—the candidate for election. And there is a crossover between the government and the party. President Gustav Husak is also the General Secretary of the Czechoslovak Communist Party.

Economically, Czechoslovakia remains highly centralized and closely integrated into the CEMA. There have been the beginnings of economic reform movements at various times since the war, but none have been seriously implemented. Industrially the country was far ahead of its neighbors in 1948 and has continued to stress industrial development at the expense of agriculture and consumer goods and services. Nevertheless, its people enjoy one of the highest standards of living in Eastern Europe. In recent years the economy has developed sluggishly, with a growth rate of 4.5 to 5 percent, held back by chronic hard currency deficits. Trade experts relate the problem to a conclusion that Czechoslovakia's products are becoming less competitive on the world market on the basis of such factors as quality, design, and the availability of spare parts. The country is natural resource-poor, and must import heavily to fuel its industries as well as to supply its developing livestock production. Feed grains usually come from the United States, although transshipments from Germany result in trade sheet portrayals that are less than complete.

Czechoslovak officials feel that their inability to trade with the United States on equal footing with other countries—because they do not have Most Favored Nation status—amounts to unwarranted discrimination which has seriously hampered two-way trade. In 1977, according to U.S. figures, the total was about $110 million, with a two-to-one advantage for the United States in the balance. This was down sharply from 1976, when a serious drought in Czechoslovakia forced them to import substantial quantities of wheat and other food grains.

Trade and Human Rights

The MFN question is one of several issues which have tended to sour bilateral relations with the United States. Trade equality was withdrawn in 1951 and has been withheld under the terms of the Trade Act of 1974 linking MFN with emigration policies. Actually, on this relatively narrow aspect of the overall human rights issue, Czechoslovakia does not compare poorly with other Eastern European countries, at least in resolving divided family cases. The main source of the divided family problem was the fact that when the Soviets invaded in 1968, many people—perhaps 100,000—had traveled outside the country under Dubcek's relaxed visa policies, and many of those chose not to return, even though they had relatives left in the country. Although some are still pending, emigration applications growing out of these circumstances have gradually been resolved. I was told that a regulation adopted in 1977 made it easier for people who departed in 1968 and 1969 to have their families join them, and that as a consequence the number of divided family cases has dropped considerably, to some 14 cases involving 20 to 25 people. Aside from family reunification, however, Czechoslovakia sees few valid reasons for emigration.

The more prominent human rights issue in Czechoslovakia is related to the Conference on Security and Cooperation in Europe agreement provisions on human rights and the formation in Czechoslovakia of a group called "Charter 77" to press for enforcement of the Helsinki principles and for observance of the United Nations Covenants on Human Rights, both of which have been ratified by Czechoslovakia. Charter 77 is a mixed group which includes former Party officials who seek to reconcile Communist ideology and solidarity with the Soviet Union with libertarian and humanistic values, some surviving pre-war noncommunist intellectuals, a number of authors and artists, younger members of the intelligentsia and, apparently, a growing number of ordinary workers. Their basic document, released in January of 1977, had 242 signers. Spokesmen for the group now claim more than 1,000 supporters with a wide geographic distribution in the country.

Before the appearance of Charter 77 the government did not seem to feel threatened by dissident intellectuals whose works were either published abroad or circulated internally through *samizdat*, the hand-to-hand exchange of carbon copies. But despite the fact that its thrust was to observe rights that had already been endorsed by the government in international agreements, Charter 77 came to be seen as a serious danger to discipline and security. Therefore, the government began a steady campaign of harassment involving such techniques as denying housing, drivers licenses, telephones, and higher education for dissidents' children. In a number of cases there have been reports of unannounced searches, lengthy interrogations, and physical abuse. A

number of dissidents have been convicted of subversion and sentenced to prison terms. The crackdown resulted in Czechoslovakia being one of the first countries to be singled out by the Carter Administration for violating human rights. For their part, the Czechoslovak government contends that this attention amounts to interference in their internal affairs. They also stress that the most important human rights are in such areas as employment, housing, health care and education, and that on these matters Czechoslovakia has compiled a considerable record of achievement.

In our discussion on this matter, Presidium member Vasil Bilak expressed concern about the new U.S. emphasis on human rights. "Our people cannot accept your theory of human rights. It is naive. In its final aspect, it is a gross intervention." He continued, "Dissidents here are not satisfied with our social system. Do all of your people approve of your system? Should we support your dissidents? Each state has its laws and norms. Here, everyone has free education and health care, from birth to death, and employment. . . . Just because a few people are discontented does not mean, 'change the system.' If children are discontented with their parents, should the neighbors intrude into their family life?"

Negative Linkage

Mr. Bilak also saw a negative linkage between the human rights emphasis and other aspects of East-West relations. "We think it is a shame," he said, "to lose the fruits of détente. We think the Gromyko-Vance agreement on SALT should be carried forward. In Vienna, the MBFR talks have been going on for more than 5 years, in some 15 rounds. The latest proposals of the socialist countries have gone far to meet Western proposals. They come close to meeting U.S. conditions. People on both sides want to see some progress being made."

I suggested in response that "there is no group of rulers so wise that they cannot profit from criticism, and by this I mean both internal dissent and external criticism." I noted that the United States had been attacked by many countries of the world because we had denied equal rights to minorities, and that "this produced pressure to improve our system. While it was difficult to be on the receiving end of the criticism, it helped us in the end. . . . We are all members of the human family, and must be willing to listen to the criticism of others."

I also brought up a related matter which has caused friction between Czechoslovakia and the United States—the question of credentials for news reporters. The government has been offended by unfavorable reporting about Czechoslovakia and especially by reporters' contacts with dissidents. For the latter offense the AP correspondent and a West German newsman were expelled earlier this year. Reporters for the Baltimore Sun and the Los Angeles Times had been refused visas. I suggested that this approach would only make matters worse, and that the better route would be to provide the access and information which could correct unfavorable news reports. Mr. Bilak said he would "like to promise we will be more generous to them." But he said that "journalists should not pick out only the bad things. They should be as objective as possible." He pointed to several specific instances in which he felt that the press had behaved irresponsibly. One was a report that the Red Brigades had been trained in Czechoslovakia. "We can prove it is not true,"

he said, "but not one Italian paper has quoted our rebuttals; on the contrary, they printed a story about Aldo Moro's being held at the Czechoslovak Embassy in Rome." In another case, he said, "We held a large press conference at which leading workers gave the real facts about Charter 77 and why the Czechoslovak people reject it. All the Western journalists were present, but nothing appeared in the foreign press." Despite such aggravations, there have been indications that Czechoslovak restrictions on journalists are being eased.

If the United States finds cause, in Czechoslovakia's close identification with the Soviet Union and in its human rights policies, to be dissatisfied with that country, Czechoslovakia also has a strong claim against the United States which its officials find especially grating. It relates to the question of Czechoslovak gold which had been looted by the Nazis and liberated by the Allies at the end of World War II.

After the war, a Tripartite Commission for the Restitution of Monetary Gold, made up of the United States, the United Kingdom and France, concluded that some 18.4 tons of the gold found in German hands properly belonged to Czechoslovakia. It has never been returned. France and the United Kingdom have remained ready to deliver the gold to Czechoslovakia, but the United States has refused on the grounds that Czechoslovakia has not compensated American citizens and firms for property nationalized by that country after the war.

The long-standing problem was nearly resolved in 1974 when the two governments initialed an agreement which called for return of the gold and settlement of U.S. claims on the basis of roughly 42 cents on the dollar. However, that agreement ran afoul of U.S. Senators Russell Long and Mike Gravel, who sponsored an amendment to the Trade Act of 1974 (Section 408) declaring that the gold may not be returned until a new claims settlement has been negotiated and approved by the Congress. There the matter remains. A series of discussions between United States and Czechoslovak officials has resulted in some signs of flexibility but no real progress toward a new agreement.

This matter was very much on Mr. Vasil Bilak's mind when I met him in Prague. I suggested that if they could come up somewhat on the property settlement, say, to 50 cents on the dollar, perhaps the Congress would be more receptive. In response Mr. Bilak wanted to know, "Where is the guarantee that a 50-percent settlement will be acceptable to the Congress? Twice it was initialed and not respected. We have lost confidence. Our highest authorities are embarrassed." Mr. Bilak compared the proposed 42-percent claims settlement with settlements which he said were 39 percent with Poland, 37 percent with Romania, 36 percent with Yugoslavia, and 42 percent with Hungary. He asked, "Why should Czechoslovakia pay the most? Why are we the most discriminated against?"

Mr. Bilak's figures can be disputed depending upon the method of calculation. It is true, however, that the proposed settlement negotiated by the Nixon Administration compared fairly well with other agreements of the same kind. Moreover, it is true that the prolonged delay, while it may not be harmful to some of the wealthier claimants, does work a hardship in many individual cases where people who have funds coming are aging and may have no chance to enjoy the proceeds if a final decision is not reached soon.

Mr. Bilak summed up his government's position on the expropriation claims-gold problem as follows: "The initiative should come from your side. . . . We are not small-minded, but we now expect a proposal from you. On my own behalf, we want a small step forward. From your side, it should be hinted that these are the last negotiations. . . . Senator Long thinks 42 percent is not enough; what variants are there? We can discuss it. . . . We have an old saying, 'Let us be friends, but let us pay the rent.'"

Gold Settlement Justified

The gold claims issue has been nearly settled several times in the past. One instance was in 1968 when the settlement collapsed over the Soviet occupation. It could be said that on that occasion we expressed our displeasure at the Soviets by punishing their victims. To some extent the same descriptions apply to the current situation. Based on my discussions in Czechoslovakia and in Washington, I am persuaded that a reasonable, revised settlement is within reach. Given that assumption, unnecessary delay will only harm those claimants who can least afford it, damage the reputation of the United States as a country dedicated to principles of fairness and justice, and remain as a serious extra irritant to a relationship with Czechoslovakia which is difficult enough as it is. In consultation with members of Congress who have indicated their interest in this issue, I hope the Administration will move with all due speed to offer the sort of revised settlement which we have reason to believe the Czechoslovak government can accept, so this old issue can at long last be removed from the agenda.

It should be clear that there are a number of entrenched impediments to any drastic improvement in our relations with Czechoslovakia. If many Czechoslovak citizens still hold to the values shared with the West in an earlier time, their leaders now view the world from an outlook which differs fundamentally from our own. There is no reason to anticipate any change in that condition in the foreseeable future.

However, it should still be possible to limit sources of conflict and work together in areas where our interests do coincide. The situation poses a strong challenge to our diplomacy. What is required, at a minimum, is a careful effort to evaluate which issues are central and which are secondary, and to discriminate between those matters we can influence and those we can do nothing about. Czechoslovak officials believe, with some logic, that their country has suffered discrimination in American foreign policy. They raise questions which we should be able to answer—whether, for example, we withhold MFN not on the basis of emigration policies but because we disapprove of their close relationship with the Soviet Union. By the same token, they wonder if they are singled out for special attention on human rights violations not because they are more repressive internally than other countries but, again, because they have not asserted a satisfactory degree of independence in foreign affairs. We should remain mindful that nowhere is there evidence that outside *pressure*, as

opposed to internal evolution, can be successful in extracting a country from the Soviet orbit. I suggest no retreat at all from the outspokenness the Carter Administration has established in the field of human rights. But to be understood, that policy must be precisely stated, consistently applied, and clearly distinguished from geopolitical considerations.

Over time I do anticipate that the brittle nature of our relations with Czechoslovakia can be changed. There is, I believe, a mutual desire for greater harmony and cooperation. On the Czechoslovak side, Mr. Bilak set forth the main goals succinctly: "Our nation wants peace, cooperation, and mutual comprehension. Our people are friendly to the United States. Our countries have never had any hostility or territorial disputes. Our man in the street doesn't understand why relations are not better."

And at the end of our lengthy discussion, he suggested priorities upon which everyone should be able to agree. He was aware that as a bomber pilot in World War II I had participated in bombing raids on several targets in Czechoslovakia. And he told me that "of the many problems we have, the greatest is the maintenance of peace, so that there will be no more bombing of Pilsen or Bratislava or any other cities."

APPENDIX I

Correspondence Pertaining to Reductions in U.S. Consulates and Consulates General Abroad

September 7, 1978.

Hon. Cyrus R. Vance,
Secretary of State,
Washington, D.C.

Dear Mr. Secretary: I would appreciate the Department supplying answers to the following questions about current U.S. consular representation abroad:

(1) How many U.S. consulates are there and what is the current trend as regards the number of consulates and the size of their staffing?

(2) What specific criteria are used in deciding on the establishment or closure of a consulate, or a change in its staff size?

(3) As an example, what factors are being considered in deciding on the future of the U.S. consulate in Salzburg? How does the Department weigh the value of that consulate as an American business catalyst against its cost of operation?

Sincerely yours,

George McGovern,
Chairman, Subcommittee on
International Operations.

Deputy Under Secretary of State
for Management,
Washington, D.C., October 13, 1978.

Hon. George McGovern,
Chairman, Subcommittee on International Operations, Committee on Foreign Relations, U.S. Senate.

Dear Mr. Chairman: On behalf of Secretary Vance, I am replying to your letter of September 7, 1978, in which you raised certain questions about U.S. Consulates.

There are presently 113 consulates and consulates general worldwide, compared with 146 ten years ago. This downward trend reflects the Department's response, taken with the greatest reluctance, to a number of personnel cuts mandated over the past decade as well as our belief that it is more cost-effective, in many cases, to centralize our work in embassies and larger constituent posts.

As part of our effort to support the President's program to reduce government spending we recently examined all 113 constituent posts to determine which posts might be closed in order to effect both dollar and personnel savings with the least effect on our overseas responsibilities. After this thorough review, we reluctantly decided that 13 posts had to be closed. Salzburg is one of the 13 that we propose to close.

I emphasize that this decision was made only after the most careful review and after all other alternative options were exhausted. In determining the needs for, or changes in staff size of our posts, we look at workload levels, net resource savings to be gained by closing, and proximity to other posts which could take on the work. When Salzburg was reopened in 1973, a study showed that the workload would be primarily consular in nature, principally the protection of American tourists. It was estimated that the sole officer would devote 50 percent of his time to consular work, 10 percent to commercial work, and the remainder to representation and other work. The level of workload has never really justified the existence of the post, however, and it has been ranked as marginal by inspection teams. Because of the excellent transportation and communications facilities in Austria, it is now our opinion that the post's commercial and consular workload can be handled adequately by the Embassy in Vienna.

Eighteen specific factors are to be taken into account in considering any proposal to open, close or change the status of a post. These include the need for consular services, supervision of other government agencies, political and economic reporting in the area, and the past history of U.S. representation in that country, among others. Attached are two pages from our Foreign Affairs Manual which list factors to be used.

If we can provide further information, please let me know.

Sincerely,

BEN H. READ.

Enclosures.

400—OPENING, CLOSING, OR CHANGING THE STATUS OF A FOREIGN SERVICE POST

410—INTRODUCTION

A proposal to open, close, or change the status of a post normally is made and recommended by the assistant secretary for the appropriate regional bureau. The final decision to open, close, or change the status of a diplomatic mission is made by the President. The final decision to open, close, or change the status of a consular post, consular agency, branch, or special office is made by the Deputy Under Secretary for Management.

411—COMMITTEE ON FOREIGN SERVICE POSTS

The Committee on Foreign Service Posts acts in an advisory capacity on any proposal to open, close, or change the status of a diplomatic mission or a consular post. It is composed of four members appointed by the Deputy Under Secretary for Management: the Director General of the Foreign Service (Chairman); Assistant Secretary for Administration; Inspector General of the Foreign Service; and Administrator, Bureau of Security and Consular Affairs. The Chief, Position and Pay Management Division (PER/PCE/PPM), serves as Secretary[1] and provides support staff[1] for the Committee.

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[1] Revision.

412—FACTORS TO BE CONSIDERED

Foreign Service posts are maintained at places of significance to American policy or interests and where the maintenance of a post is acceptable to the foreign government. In determining whether to open, close, or change the status of a post, the following factors are considered (as appropriate):

(*a*) History of any previous U.S. representation in the locality, including reasons for opening or closing such offices.

(*b*) Positive advantages to the U.S. Government in maintaining American representation in the locality for long-range or temporary promotion of American policy.

(*c*) Extent of need for reporting economic and political developments in the locality in accordance with long-range American interests, including strategic consideration and the supply of strategic materials.

(*d*) Extent of American capital investment and commercial interests, including the number of American firms with established branches or agents, and opportunities for the promotion of American trade.

(*e*) Number of resident and transient U.S. citizens, including expected changes, and their need for documentation, protection, and other types of consular services.

(*f*) Anticipated need for, and efficacy of, a cultural activities program to promote mutual understanding between the peoples of the United States and the host country.

(*g*) Anticipated need for, and efficacy of, an information program to promote local understanding of American policies and objectives.

(*h*) Extent of local business and public activity requiring consular services (such as notarial, citizenship, visa, and shipping services); and convenience of travel and communications for United States and local nationals to obtain such services.

(*i*) Expressed interest of U.S. Government agencies (other than the Department) in the maintenance of a post in the locality.

(*j*) Expressed interest of host government in the maintenance of United States representation in the locality, (NOTE.—When a consular district is delimited to include territory in more than one state, the consent of each state is required for the commencement of the performance of consular functions. See section 450.)

(*k*) Representation maintained by the host government in the United States, including number, rank, and functions of such offices.

(*l*) Representation maintained by other governments in the locality, including number, rank, and functions of such offices.

(*m*) Relationship of a new post with supervisory offices, including possibility of centralized accounting or other administrative functions to reduce costs.

(*n*) Availability of housing and office space (including estimated cost), food, communication and transportation, recreation and medical facilities, and other conditions which would affect the personnel assigned to the post; and need for allowances and differentials, if any.

(*o*) Privileges and immunities extended or to be extended U.S. representatives by the host government, including free entry, tax exemption, etc.

(*p*) Availability of personnel, funds, office furniture and supplies, automotive equipment from other posts in the area, or reasons why they are not available from such posts.

(*q*) Rank and size of post, including details of proposed functions, staffing, and limits of consular district.

(*r*) Estimated initial and long-range requirements for additional personnel, funds, supplies, and equipment.

DEPARTMENT OF STATE,
Washington, D.C., November 6, 1978.

Hon. GEORGE MCGOVERN,
Chairman, Subcommittee on International Operations, Committee on Foreign Relations, U.S. Senate.

DEAR MR. CHAIRMAN: The President has made a decision to close 13 consulates and consulates general in the following cities:

Belem, Brazil
Zanzibar, Tanzania
Adana, Turkey
Salzburg, Austria
Bremen, Germany
Nice, France
Turin, Italy
Goteborg, Sweden
Brisbane, Australia
Surabaya, Indonesia
Mandalay, Burma
Port Said, Egypt
Tangier, Morocco

While these closings will not be announced publicly for at least a week, I wanted to let you know about the decision as soon as possible and to assure you that we do not expect any noticeable change in the quality or volume of our work as a result of it. Service to the public will be given highest consideration and, where necessary, personnel will be transferred to nearby posts to assist with the increase in workload.

This is only one of a number of measures we are taking in our support of the President's commitment to reduce Government spending. All have involved difficult choices, and the decision to close these posts was taken only after a thorough examination of alternatives. The new constraints on our resources require us to seek improvement in the efficiency of our operations, and I think we have gone far in this direction.

The closing of constituent posts is not a new occurrence, however. Over the years we have often found it useful to shut down operations where centralization in larger posts proved economical or where workloads diminished in importance. In the past decade, we have reduced the number of consulates and consulates general from 146 to 113 for a variety of reasons. The thirteen now slated for closing were selected only after a careful study and ranking of all of our constituent posts, with thought given to workload levels and importance, service to the public, proximity of other posts and special problems in each area.

It is our intention to close these posts during the present fiscal year, so that savings can be realized as soon as possible. We are now in the process of advising host country governments of our decision.

Sincerely,

DOUGLAS J. BENNET, JR.,
Assistant Secretary for Congressional Relations.

APPENDIX II

Joint Declaration Signed by President Jimmy Carter of the United States and President Nicolae Ceausescu of Romania in Washington D.C., April 13, 1978

The President of the United States of America, Jimmy Carter, and the President of the Socialist Republic of Romania, Nicolae Ceausescu,

Having noted with satisfaction that the political, economic, scientific, cultural and other relations between the two countries have developed significantly in recent years,

Having determined to take further steps to expand bilateral relations and cooperation, to build security and develop cooperation in Europe, to strengthen international peace and security and to seek solutions for the manifold issues confronting the world,

Agreed on the following Declaration:

I. They reaffirmed the commitment to continue the development and expansion of relations between the two countries on the basis of the Joint Statement signed in Washington on December 5, 1973 and of the Joint Statement on Economic, Industrial and Technical Cooperation between the United States of America and the Socialist Republic of Romania of the same date. These relations are based on the purposes and principles of the United Nations Charter and of the Declaration on Principles Guiding Relations Between Participating States of the Final Act of the Conference on Security and Cooperation in Europe, and consistent with these, particularly on the following interrelated principles:

The right of each state to existence, freedom, independence and national sovereignty;

The equal rights of all states, irrespective of their size, level of development and political, economic and social systems;

The right of each state freely to choose and develop its political, social, economic and cultural system;

The right of each people to decide its own destiny;

Refraining from the threat or use of force inconsistent with the purposes of the United Nations;

Respect for territorial integrity and inviolability of frontiers;

Non-intervention, direct or indirect, for any reason whatever, in the internal affairs of any other state;

Peaceful settlement of international disputes;

Observance of and promotion of respect for human rights and fundamental freedoms, including all the conditions required for a free, dignified and prosperous life;

Cooperation among states in order to promote world peace and security and economic and social progress.

II. They stated their joint determination:

1. To continue meetings at the highest level and consultations at other levels, and to encourage interchanges between members of legislatures and representatives of local administration.

2. To promote and facilitate the expansion of trade and economic cooperation between the two countries, taking into account Romania's present status as a developing country.

3. To promote the reduction of tariffs and non-tariff barriers to trade in conformity with the Agreement on Trade Relations between the two countries, and to seek to increase the volume and diversify the structure of bilateral trade.

4. To seek ways to put existing non-discriminatory trade relations on a more stable and long-term basis, in particular through the renewal of the Agreement on Trade Relations.

5. To encourage the development of cooperation activities, including joint ventures and cooperation in third markets, contracts and interchanges between American firms and Romanian economic organizations, participation in specialized exhibitions in both countries, increased exchange of economic information and data and other measures for the implementation of the Long-Term Agreement on Economic, Industrial and Technical Cooperation, signed in 1976; and to support in this respect the activities of the Joint American-Romanian Economic Commission and of the United States-Romanian Economic Council.

6. To cooperate in the settlement of humanitarian issues, including family reunification, in the spirit of mutual understanding and good will.

7. To promote cultural and scientific exchanges under the terms of the Agreement on Cooperation and Exchanges in the Cultural, Educational, Scientific and Technological Fields of 1974, as well as relations and contacts between institutions, organizations and citizens of the two countries, and to encourage tourism in order to increase mutual understanding and friendship between the two peoples.

III. They also expressed their joint determination:

1. To strengthen and make irreversible the process of détente in Europe and throughout the world.

2. To work for ensuring opportunities for all countries, big or small, to contribute to the settlement of complex world issues on the basis of equality.

3. To promote the settlement of all disputes among states by peaceful means and the elimination of the threat or use of force.

4. To contribute actively to the full implementation of all the provisions of the Final Act of the Conference on Security and Cooperation in Europe and to promote the multilateral process initiated by the Conference. They agreed that the Belgrade Meeting provided a firm basis for continuation of this process; at the same time, they expressed disappointment that it had not been possible to reach agreement on the numerous useful proposals which had been put forward. They agreed to cooperate closely so that the 1980 Madrid Meeting should take effective steps toward strengthening security and developing cooperation in Europe in the fields of economic cooperation, of cultural exchanges and humanitarian problems and of military disengagement and disarmament. They also agreed that the development of friendly

and neighborly relations among Balkan countries will be a positive contribution to re-inforcing security and expanding cooperation in Europe.

5. To act resolutely for the adoption of a wide range of disarmament measures, including nuclear disarmament, such as halting the build-up of armaments and reducing military budgets, armed forces and armaments, leading ultimately to general and complete disarmament under effective international control. They endorsed a more effective role for the United Nations in dealing with international disarmament issues and underlined their active support for the Special Session on Disarmament of the United Nations General Assembly.

6. To work toward a more just and equitable international economic order, which should promote the accelerated economic development of developing countries; and to intensify dialogue and cooperation among all countries, directed toward solving major economic problems, on the basis of the principles of equality, equity and mutual benefit.

7. To encourage efforts aimed at a just, comprehensive and lasting peaceful settlement in the Middle East, based on Israel's withdrawal from territories occupied as a result of the 1967 war, respect for legitimate rights of the Palestinian people and insurance of the independence, territorial integrity and security of all states in the region. To this end, they expressed themselves in favor of negotiations among all the interested parties for solving the Middle East situation, with appropriate representation of the Palestinian people.

8. To support the legitimate aspirations of the African peoples for peace, freedom and independence. They reaffirmed the inalienable rights of the peoples of Zimbabwe and Namibia to sovereignty and independent development, and the necessity of ensuring, as soon as possible, the transfer of power to the African majority, in the spirit of pertinent United Nations resolutions. They also expressed deep concern about the South African policy of apartheid and racial discrimination and stood for the abolition of these practices.

9. To strengthen the role of the United Nations in the maintenance and consolidation of world peace, in the development of cooperation among all nations, and in furtherance of the principles of international law in the relations among states, through reforming and restructuring the UN system in order to make it stronger and more effective; and to strengthen cooperation between their two countries within the United Nations and other international organizations and conferences.

IV. The two Presidents expressed their conviction that friendly relations between the United States of America and the Socialist Republic of Romania, based on equality, mutual respect and due consideration for their respective interests, serve the cause of world peace, security and cooperation. They reaffirmed their commitment to expand and deepen, both through diplomatic channels and meetings at all levels, the consultations, contacts and exchanges that have become an important and lasting element of their cooperation.

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