

No. 14970

**UNITED STATES OF AMERICA
and
ROMANIA**

Agreement on trade relations (with annexes and joint statement of 5 December 1973). Signed at Bucharest on 2 April 1975

Authentic texts: English and Romanian.

Authentic text of the joint statement: English.

Registered by the United States of America on 19 August 1976.

**ÉTATS-UNIS D'AMÉRIQUE
et
ROUMANIE**

Accord relatif aux relations commerciales (avec annexes et déclaration commune du 5 décembre 1973). Signé à Bucarest le 2 avril 1975

Textes authentiques : anglais et roumain.

Texte authentique de la déclaration commune : anglais.

Enregistré par les États-Unis d'Amérique le 19 août 1976.

AGREEMENT¹ ON TRADE RELATIONS BETWEEN THE UNITED STATES OF AMERICA AND THE SOCIALIST REPUBLIC OF ROMANIA

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

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

Desiring to develop their relations on the basis of the principles set forth in the Joint Statement of the Presidents of the two States at Washington on December 5, 1973,² and reaffirming the continuing importance of the Joint Statement on Economic, Industrial and Technological Cooperation issued at Washington on December 5, 1973;³

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

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

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

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

Have agreed as follows:

Article I. MOST-FAVORED-NATION TREATMENT

1. Both Parties reaffirm the importance of their participation in the General Agreement on Tariffs and Trade⁴ and the importance of the provisions and principles of the General Agreement on Tariffs and Trade for their respective economic policies. Accordingly, the Parties shall apply between themselves the provisions of the General Agreement, the Protocol for the Accession of Romania of October 15, 1971 to that Agreement, and Annexes to that Protocol including Annex B.

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

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

¹ Came into force on 3 August 1975, the date of exchange of written notices of acceptance by the two Governments, in accordance with article XII (1).

² United Nations, *Treaty Series*, vol. 938, p. 457.

³ See p. 182 of this volume.

⁴ United Nations, *Treaty Series*, vol. 55, p. 187.

that result from multilateral negotiations. In this respect, it is noted that Romania, as a developing country, could be eligible for treatment accorded to developing countries.

Article II. EXPANSION OF TRADE

1. The Parties shall take appropriate measures, in accordance with applicable laws and regulations, to encourage and facilitate the exchange of goods and services between the two countries on the basis of mutual advantage in accordance with the provisions of this Agreement. In expectation of such joint efforts, both Governments envision that total bilateral trade in comparison with the period 1972-1974 will at least triple over the initial three-year period of this Agreement. In this respect, the Government of the Socialist Republic of Romania expects that during the period of this Agreement Romanian firms, companies and economic organizations will place substantial orders in the United States of America for machinery and equipment, agricultural and industrial materials, and consumer goods produced in the United States of America, while the Government of the United States anticipates that the effect of this Agreement will be to encourage increasing purchases by firms, companies, economic organizations and consumers in the United States of such products from the Socialist Republic of Romania.

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

Article III. SAFEGUARDS

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

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

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

Article IV. BUSINESS FACILITATION

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

2. Nationals, firms, companies and economic organizations of either Party shall be afforded access to all courts and, when applicable, to administrative bodies as plaintiffs or defendants, or otherwise, in accordance with the laws in force in the territory of such other Party. They shall not claim or enjoy immunities from suit or execution of judgment or other liability in the territory of the other Party with respect to commercial or financial transactions; they also shall not claim or enjoy immunities from taxation with respect to commercial or financial transactions, except as may be provided in other bilateral agreements.

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

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

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

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

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

8. Firms, companies and economic organizations of either Party shall be permitted in accordance with procedures and regulations applicable within the territory of the other Party to advertise, conclude contracts, and provide technical services to the same extent that firms, companies and economic organizations of the latter Party may do so. Duty-free treatment will be accorded to samples without commercial value and advertising materials, as provided in the Geneva Convention of November 7, 1952,¹ relating to the importation of commercial samples and advertising material.

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

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

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

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

¹ United Nations, *Treaty Series*, vol. 221, p. 255.

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

*Article V. INDUSTRIAL PROPERTY, INDUSTRIAL RIGHTS AND PROCESSES,
AND COPYRIGHTS*

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

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

3. Each Party agrees to provide nationals, firms, companies and economic organizations of the other Party the rights with respect to copyrights set forth in the Universal Copyright Convention as revised at Paris on July 24, 1971.²

Article VI. FINANCIAL PROVISIONS

1. Nationals, firms, companies and economic organizations of each Party shall be accorded by the other Party most-favored-nation treatment with respect to payments, remittances and transfers of funds or financial instruments between the territories of the two Parties, as well as between the territory of such other Party and that of any third country. For this purpose, the Parties agree to grant those authorizations which are necessary.

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

¹ United Nations, *Treaty Series*, vol. 828, p. 305.

² *Ibid.*, vol. 943, p. 178.

and economic organizations of the other Party treatment no less favorable in matters relating to rates of exchange than it accords to nationals, firms, companies and economic organizations of any third country.

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

Article VII. NAVIGATION

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

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

3. Vessels of either Party (other than warships, as defined in the Geneva Convention on the high seas of April 29, 1958)¹ shall have liberty on equal terms with vessels of any third country, to come with their cargoes to ports, places, and waters of the other Party open to foreign commerce and navigation, except insofar as requirements of national security limit such access; such vessels and cargoes shall then in all respects be accorded most-favored-nation treatment within the ports, places and waters of the other Party except insofar as modified by port security requirements.

4. The provisions of paragraph 3 of this Article shall not apply to fishing vessels, fishery research vessels, or fishery support vessels. The Parties reaffirm the importance of their Agreement Regarding Fisheries in the Western Region of the Middle Atlantic Ocean, concluded at Washington on December 3, 1973,² which shall continue to apply in accordance with its terms.

Article VIII. DISPUTES SETTLEMENT

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

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

¹ United Nations, *Treaty Series*, vol. 450, p. 11.

² Should read "December 4, 1973"; United Nations, *Treaty Series*, vol. 938, p. 435.

on June 10, 1958;¹ however, firms, companies and economic organizations party to a contract may agree upon any other form or place of arbitration.

Article IX. GOVERNMENTAL COMMERCIAL OFFICES

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

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

Article X. NATIONAL SECURITY

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

Article XI. REVIEW OF OPERATION OF AGREEMENT

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

Article XII. DURATION AND ENTRY INTO FORCE

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

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

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

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

¹ United Nations, *Treaty Series*, vol. 330, p. 3.

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

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

IN WITNESS WHEREOF, the authorized representatives of the Parties have signed this Agreement.

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

[Signed — Signé]¹

For the United States of America

[Signed — Signé]²

For the Socialist Republic
of Romania

A N N E X 1

PROCEDURES FOR THE IMPLEMENTATION OF ARTICLE III

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

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

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

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

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

(d) The rights of the exporting Party referred to in paragraph 4 (D) of the Protocol for the accession of Romania to the General Agreement on Tariffs and Trade of October 15, 1971³ shall apply in the event that action contemplated in this Annex is taken.

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

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

¹ Signed by Harry G. Barnes, Jr. — Signé par Harry G. Barnes.

² Signed by Patan — Signé par Patan.

³ United Nations, *Treaty Series*, vol. 807, p. 312.

ANNEX 2

BUSINESS FACILITATION

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

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

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

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

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

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

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

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

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

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

10. Representations may, subject to the applicable laws and procedures, select and employ any person, regardless of citizenship, lawfully residing in or admitted to the territory of such other Party. Neither Party shall impose restrictions on the termination of employees, other than the contractual provisions requiring notice and compensation. Neither Party shall restrict the total number of persons to be employed as long as they are reasonably needed for the conduct of business. Representations shall hire, compensate, and terminate the employment of employees in accordance with the provisions of contracts governing their employment. Each Party agrees to encourage the negotiation of contracts in such a way that the representations of the other Party shall have the broadest possible flexibility in selecting, hiring and compensating employees and in terminating their employment.

11. Each Party agrees to facilitate to the maximum extent possible the travel of persons employed by representations of the other Party desiring to enter its territory in furtherance of

the purposes of this agreement and members of their immediate families. Each Party agrees to make available multiple entry visas of duration of 6 months or longer to such persons and to members of their immediate families. Persons who are employees of representations of the other Party shall be permitted to the maximum extent possible, in accordance with applicable regulations, to travel abroad for purposes related to the business of the representations by which they are employed.

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

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

A N N E X 3

DEFINITIONS

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

2. In this Agreement "representation," in the case of the representations established in the United States of America, shall include subsidiaries or unincorporated branches or other forms of business organizations legally constituted under the laws and regulations applicable in the territory of the United States of America by firms, companies, or economic organizations of the Socialist Republic of Romania, and in the case of the representations established in the Socialist Republic of Romania, shall include the agencies referred to in Article 1 of Decree No. 15 of the Council of State of the Socialist Republic of Romania of January 25, 1971, established by a firm, company or economic organization of the United States of America.

JOINT STATEMENT ON ECONOMIC, INDUSTRIAL AND TECHNOLOGICAL COOPERATION BETWEEN THE UNITED STATES OF AMERICA AND THE SOCIALIST REPUBLIC OF ROMANIA, DECEMBER 5, 1973¹

On the occasion of his official visit in the United States of America the President of the State Council of the Socialist Republic of Romania, Nicolae Ceausescu, held talks with the President of the United States of America, Richard Nixon, on December 4 and 5, 1973, with regard to the development of economic relations between Romania and the United States.

Henry Kissinger, the Secretary of State, George Shultz, the Secretary of the Treasury, Frederick Dent, the Secretary of Commerce and other officials on the American side; and Manea Manescu, Vice Chairman of the Council of Ministers and Chairman of the State Planning Committee, George Macovescu, the Minister of Foreign Affairs, Vasile Pungan, Counsellor to the President and other Romanian officials also participated in discussions.

The two Presidents have emphasized the favorable development of economic relations between their two countries and they expressed their determination to promote and expand economic, industrial and technological cooperation on the basis of respect for sovereignty, independence, non-interference in domestic affairs, juridical equality, mutual advantage, and refraining from the threat or use of force.

President Nixon and President Ceausescu expressed their satisfaction with the remarkable rate of growth in United States-Romanian trade, which has increased more than fourfold since President Nixon's visit to Bucharest in 1969.

Both Presidents noted particularly the rapid growth in Romania's exports to the United States, due to the major efforts that Romania has made to promote its exports to the United States.

It was anticipated that the trade will continue to grow at the same pace or better during 1974 and the following years. The two Presidents stressed that the two countries have taken several actions to encourage and facilitate this growth in trade.

The two Presidents noted the importance of the meetings and talks to be held by President Ceausescu with American business leaders aimed at finalizing agreements and understandings and generating new interest in doing business with Romania.

The Presidents noted that, in recognition of Romania's status as a developing country, the United States Overseas Private Investment Corporation is now prepared to assist in insuring and financing United States investments in Romania.

The two Presidents noted that, since November 1971, when President Nixon determined that United States exports to Romania should be eligible for United States Export-Import Bank credits and guarantees, these credits and guarantees have effectively contributed to the expansion of trade. Private United States banks have also facilitated this expansion.

The two Presidents have noted the importance of both countries' participation in the General Agreement on Tariffs and Trade and the importance of the provisions and principles of this Agreement for their respective economic policies.

President Nixon reaffirmed his commitment to seek authority to provide most-favored-nation tariff treatment for Romania in recognition of the importance of this reciprocal principle as a factor in international relations and in the development and diversification of economic relations between the two countries.

¹ Published by the Secretariat for information only.

The two Presidents further noted that Romania's accession to the General Agreement on Tariffs and Trade and to membership in the International Monetary Fund and to the International Bank for Reconstruction and Development were positive steps in broadening its world-wide economic and financial relations, and have created favorable conditions for collaboration between representatives of both countries within the framework of these international organizations, with a view to developing their economic cooperation.

The two Presidents welcomed the conclusion on the occasion of the visit of the Agreement between the Chamber of Commerce of the United States and the Socialist Republic of Romania Chamber of Commerce on setting up the Romanian-U.S. Economic Council, the Convention with respect to Taxes on Income and Property,¹ the Agreement relating to Civil Air Transport² and the Agreement regarding Fisheries in the Western Region of the Middle Atlantic Ocean³ as well as specific conventions and understandings among Romanian enterprises and economic organizations and American firms with regard to economic, industrial and technological collaboration and cooperation in the fields of machine-building, electronics, chemicals and petrochemicals and other fields of mutual interest.

They also noted that discussions regarding American bondholder claims have been resumed.

In order to further the development of economic relations between the United States and Romania, the two Presidents approved the following guidelines:

1. The two Governments will facilitate, as appropriate, cooperation between interested firms, companies and economic organizations of the two countries with a view to the realization of joint projects, including joint manufacturing and marketing ventures, in the fields of industry, commerce, agriculture and natural resources, and other fields of mutual interest.

Areas of particular interest for such cooperation include machine-building, electronic and electrical industries, energy, metallurgy, mining and petroleum, chemicals and petrochemicals, light industry, foods, telecommunications, building materials, agriculture, and tourism.

2. Commercial and economic cooperation transactions will be effected on the basis of contractual arrangements between firms, companies and economic organizations of the two countries, and in accordance with the laws and regulations in force in both countries. Such contracts will generally be concluded on terms customary in international practice.

Such contracts and arrangements may encompass such matters as:

- construction of new industrial facilities, as well as the expansion and modernization of existing facilities;
- joint manufacturing and marketing by means of joint ventures or otherwise;
- licensing or patents and exchanges of economic and technical information on products, designs and technology, subject to the laws and regulations in effect in the two countries, including laws relating to transshipment and reexportation;
- training and exchange of specialists and trainees;
- establishment of banks and banking agencies in the two countries;
- joint cooperative projects in third countries.

¹ Registered with the Secretariat of the United Nations on 4 December 1973 under No. I-15679.

² United Nations, *Treaty Series*, vol. 961, p. 3

³ *Ibid.*, vol. 938, p. 435.

Such contracts may provide for sharing and transfer of benefits, rights of participation in the management of the joint enterprises, procedures for dissolution of the joint enterprise, and return and repatriation of capital on mutually agreeable terms.

3. In their economic relations and in applying their policies within the framework of their laws and regulations, the two countries will take full account of the respective level of their economic development as well as the characteristics of the two economies. In this respect, it is noted that Romania, as a developing country, could be eligible for treatment accorded to developing countries.

4. Currency payments between firms, companies and economic organizations of the two countries will be made in United States dollars or any other freely convertible currency mutually agreed upon; other forms of payment may be agreed upon.

5. Except for a public purpose, assets belonging to nationals, companies and economic organizations of one of the two countries will not be expropriated by the other country, nor will they be expropriated without the payment of prompt, adequate and effective compensation.

6. To the extent permitted by the laws and international obligations of the two countries, equipment and materials imported temporarily into a country for purposes of contracts concluded between firms, companies and economic organizations of the two countries, will be exempt from customs duties, other taxes and any restrictions pertaining to importation. With a view to the development of economic cooperation, both sides will examine ways and means for the application of further customs and fiscal facilitation for goods assigned to, and resulting from cooperation projects within the provisions of customs legislation in force in the two countries.

7. Each country will provide nationals, firms, companies and economic organizations of the other country protection of inventions, trademarks and trade names in accordance with the provisions of international agreements in the field to which the two countries are parties.

8. Each country will accord firms, companies and economic organizations of the other nondiscriminatory treatment as regards payment, remittances and transfers of funds or financial instruments, in accordance with arrangements to be worked out between the two countries.

9. Each country will facilitate the entry and travel of official representatives, experts, advisors and technicians of the other country employed in connection with commercial and economic cooperation transactions between their firms, companies and economic organizations, and of members of their immediate families.

10. Each country will facilitate participation of their nationals, companies and economic organizations in fairs and exhibitions, organized in the other country.

11. Both countries will facilitate the exchange of economic, commercial and technical information in fields of mutual interest, including information concerning trade in major agricultural commodities, among institutions, enterprises and economic organizations.

12. Both countries reaffirm their desire promptly and equitably to settle on an amicable basis commercial disputes which may arise. Commercial contracts should include provisions concerning arbitration of disputes resulting from commercial transactions.

Such understandings will stipulate that the arbitration be effected in accordance with the regulations of the International Chamber of Commerce in Paris and will designate as place for arbitration a city in a country other than the United States or

Romania which is a party to the 1958 Convention on recognition and application of foreign arbitration decisions, or any other modality agreed upon in the terms of the contract.

13. With the view of broadening and supporting economic relations between the two countries, it was agreed to establish a joint Romanian-American Economic Commission which will meet annually, alternatively in Bucharest and Washington.

The Commission will consider questions and problems relating to the reciprocal establishment of business facilities to promote economic cooperation, as well as any other matters arising in the course of their economic, industrial and technological cooperation.

The Commission will also facilitate as appropriate the establishment of joint consultative groups between representatives of firms, companies and economic organizations of the two countries on matters of particular interest.
