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Security in the Free World

REPORT TO THE AMERICAN PEOPLE BY PRESIDENT EISENHOWER¹

MY FELLOW AMERICANS: Tonight I want to talk with you about two subjects:

One is about a city that lies four thousand miles away. It is West Berlin. In a turbulent world it has been for a decade a symbol of freedom. But recently its name has come to symbolize also the efforts of imperialistic communism to divide the free world, to throw us off balance, and to weaken our will for making certain of our collective security.

Next I shall talk to you about the state of our Nation's posture of defense and the free world's capacity to meet the challenges that the Soviets incessantly pose to peace and to our own security.

First, West Berlin.

You have heard much about this city recently and possibly wondered why American troops are in it at all.

How did we get there in the first place? What responsibilities do we have in connection with it, and how did we acquire them? Why has there developed a situation surrounding this city that poses another of the recurring threats to peace that bear the stamp of Soviet manufacture?

Occupation Areas Defined

Let's begin with a brief review of recent history.

We first acquired rights and responsibilities in West Berlin as a result of World War II. Even before the war ended, when the defeat and capitulation of Nazi Germany were in sight, the Allied Powers, including the Soviet Union, signed agreements defining the areas of occupation in Germany and Berlin which they would assume. As a result, Germany and the city of Berlin were each divided

into four zones, occupied by American, British, French, and Soviet troops, respectively.

Under the wartime agreements I have mentioned, the Western Allies entered into occupation of West Berlin and withdrew our armies from the Soviet Zone. Accordingly, the boundary of the Soviet Zone, like our presence in Berlin, was established upon the basis of these same agreements. Also by agreement among the occupying powers, the Western Allies—the United States, the United Kingdom, and France—were guaranteed free access to Berlin.

Here in my office is a map of Germany. The light portion of the map is West Germany; the darker portion is East Germany. The lighter gray lanes are the air corridors to Berlin, and the dotted lines show both the main roads and railroads that give us access to the city. Notice that the city of Berlin is 110 miles inside East Germany; that is, it is 110 miles from the nearest boundary of West Germany. Here is the territory, now in East Germany, that was taken by our Army in World War II and was turned over to the Russians by political agreement made before the end of the war.

Now at the end of World War II our announced purpose and that of our wartime associates was the pacification and eventual unification of Germany under freedom. We jointly agreed to undertake this task. Ever since that time the United States has continuously recognized the obligation of the Allied Governments under international law to reach a just peace settlement with Germany and not to prolong the occupation of Germany unnecessarily.

Basic Purpose of Soviet Government

The public record demonstrates clearly that such a settlement has been frustrated only by the Soviets. It quickly became evident that Soviet

¹ Delivered to the Nation by television and radio on Mar. 16 (White House press release).

leaders were not interested in a free, unified Germany and were determined to induce or force the Western powers to leave Berlin.

Ten years ago Senator John Foster Dulles, now our great Secretary of State, described the basic purpose of the Soviet Government. He said that purpose was:

. . . no less than world domination, to be achieved by gaining political power successively in each of the many areas which had been afflicted by war, so that in the end the United States, which was openly called the main enemy, would be isolated and closely encircled.

The current Berlin effort of the Soviets falls within this pattern of basic purpose.

The first instance of unusual pressure, clearly evidencing these purposes, came in 1948 when the Communists imposed a blockade to force the protecting Western troops out of Berlin and to starve the people of that city into submission.

That plan failed. A free people and a dramatic airlift broke the back of the scheme.

In the end the Communists abandoned the blockade and concluded an agreement in 1949 with the Western powers, reconfirming our right of unrestricted access to the city.

Then, last November, the Soviets announced that they intended to repudiate these solemn obligations.² They once more appear to be living by the Communist formula that "promises are like piecrusts, made to be broken."

The Soviet Government has also announced its intention to enter into a peace treaty with the East German puppet regime. The making of this treaty, the Soviets assert, will deny our occupation rights and our rights of access. It is, of course, clear that no so-called "peace treaty" between the Soviets and the East German regime can have any moral or legal effect upon our rights.

The Soviet threat has since been repeated several times, accompanied by various and changing suggestions for dealing with the status of the city. Their proposals have included a vague offer to make the Western part of Berlin—though not the Eastern part, which the Soviets control—a so-called "free city."

It is by no means clear what West Berlin would be free from, except perhaps from freedom itself. It would not be free from the ever-present danger

of Communist domination. No one, certainly not the two million West Berliners, can ignore the cold fact that Berlin is surrounded by many divisions of Soviet and Eastern German troops and by territory governed by authorities dedicated to eliminating freedom from the area.

Now a matter of principle—the United States cannot accept the asserted right of any government to break, by itself, solemn agreements to which we, with others, are parties. But in the Berlin situation both free people and principle are at stake.

Fundamental Choices in Berlin Situation

What, then, are the fundamental choices we have in this situation?

First, of course, there is the choice which the Soviet rulers themselves would like us to make. They hope that we can be frightened into abdicating our rights—which are indeed responsibilities—to help establish a just and peaceful solution to the German problem, rights which American and Allied soldiers purchased with their lives.

We have no intention of forgetting our rights or of deserting a free people. Soviet rulers should remember that free men have, before this, died for so-called "scraps of paper" which represented duty and honor and freedom.

The shirking of our responsibilities would solve no problems for us. First, it would mean the end of all hopes for a Germany under government of German choosing. It would raise among our friends the most serious doubts about the validity of all the international agreements and commitments we have made with them in every quarter of the globe. One result would be to undermine the mutual confidence upon which our entire system of collective security is founded.

This the Soviets would greet as a great victory over the West.

Obviously, this choice is unacceptable to us.

The second choice which the Soviets have compelled us to face is the possibility of war.

Certainly the American and Western peoples do not want war. The whole world knows this. Global conflict under modern conditions could mean the destruction of civilization. The Soviet rulers themselves are well aware of this fact.

But all history has taught us the grim lesson that no nation has ever been successful in avoiding

² For text of Soviet note of Nov. 27 and U.S. reply, see *BULLETIN* of Jan. 19, 1959, p. 79.

the terrors of war by refusing to defend its rights, by attempting to placate aggression.

Whatever risk of armed conflict may be inherent in the present Berlin situation, it was deliberately created by the Soviet rulers. Moreover, the justice of our position is attested by the fact that it is ardently supported with virtual unanimity by the people of West Berlin.

The risk of war is minimized if we stand firm. War would become more likely if we gave way and encouraged a rule of terrorism rather than a rule of law and order. Indeed, this is the core of the peace policy which we are striving to carry out around the world. In that policy is found the world's best hope for peace.

Now, our final choice is negotiation, even while we continue to provide for our security against every threat. We are seeking meaningful negotiation at this moment. The United States and its allies stand ready to talk with Soviet representatives at any time and under any circumstances which offer prospects of worthwhile results.

We have no selfish material aims in view. We seek no domination over others—only a just peace for the world and particularly, in this instance, for the people most involved.

We are ready to consider all proposals which may help to reassure and will take into account the European peoples most concerned.

We are willing to listen to new ideas and are prepared to present others. We will do everything within our power to bring about serious negotiations and to make these negotiations meaningful.

“We Will Not Retreat From Our Duty”

Let us remind ourselves once again of what we cannot do.

We cannot try to purchase peace by forsaking two million free people of Berlin.

We cannot agree to any permanent and compulsory division of the German nation, which would leave Central Europe a perpetual powder mill, even though we are ready to discuss with all affected nations any reasonable methods for its eventual unification.

We cannot recognize the asserted right of any nation to dishonor its international agreements whenever it chooses. If we should accept such a contention the whole process of negotiation would become a barren mockery.

We must not, by weakness or irresolution, increase the risk of war.

Finally, we cannot, merely for the sake of demonstrating so-called “flexibility,” accept any agreement or arrangement which would undermine the security of the United States and its allies.

The Soviet note of March 2d appears to be a move toward negotiation on an improved basis. We would never negotiate under a dictated time limit or agenda or on other unreasonable terms. We are, with our allies, however, in view of the changed tone of the Soviet note, concerting a reply to that note.

It is my hope that thereby all of us can reach agreement with the Soviets on an early meeting at the level of foreign ministers.

Assuming developments that justify a summer meeting at the summit, the United States would be ready to participate in that further effort.

Our position, then, is this: We will not retreat one inch from our duty. We shall continue to exercise our right of peaceful passage to and from West Berlin. We will not be the first to breach the peace; it is the Soviets who threaten the use of force to interfere with such free passage. We are ready to participate fully in every sincere effort at negotiation that will respect the existing rights of all and their opportunity to live in peace.

Cooperative Efforts To Protect Freedom

Today's Berlin difficulty is not the first stumbling block that international communism has placed along the road to peace. The world has enjoyed little relief from tension in the past dozen years. As long as the Communist empire continues to seek world domination we shall have to face threats to the peace of varying character and location. We have lived and will continue to live in a period where emergencies manufactured by the Soviets follow one another like beads on a string.

Whatever the length of that period, we shall have to remain continuously ready to repel aggression, whether it be political, economic, or military. Every day our policies of peace will be subjected to test. We must have steadiness and resolution and firm adherence to our own carefully thought-out policies.

We must avoid letting fear or lack of confidence turn us from the course that self-respect, decency, and love of liberty point out. To do so would be

to dissipate the creative energies of our people, upon whom our real security rests. This we will never do.

Now, to build toward peace and maintain free-world security will require action in every field of human enterprise. It can only be done by the nations of the free world working together in close cooperation, adjusting their differences, sharing their common burdens, pursuing their common goals. We are carrying out just such an effort. We call it mutual security.

We recognize that freedom is indivisible. Wherever in the world freedom is destroyed, by that much is every free nation hurt.

If the United States alone had to carry the full burden of defending its interests from the Communist threat, we would have to draft a much larger portion of our manhood into the armed services, spend many more billions of treasure, and put a more intense strain on all our resources and capacities. We would become more and more like a garrison state.

Fortunately we do not have to adopt such a desperate course. Nearly 50 nations have joined with us in a cooperative effort to protect freedom. This system of mutual security allows each nation to provide the forces which it is best able to supply.

Now what is the strength of these forces? What are we contributing to the joint effort? What can we count on from our allies?

Let's look first at our own contribution. Let us look at it from the viewpoint of our own security.

Of late I—and I am sure the American people—have heard or read conflicting claims about our defenses.

We have heard that our military posture has been subordinated to a balanced budget, jeopardizing our national defense.

We have heard that our defenses are presently—or they will be sometime in the future—inadequate to meet recurrent Communist threats.

We have heard that more manpower in our forces than I have recommended is essential in the present circumstances, for psychological reasons if for no other.

My friends, such assertions as these are simply not true. They are without foundation. It is not likely, however—and this is indeed fortunate—

that such assertions will lead the Soviet Union to miscalculate our true strength.

Design of Our Defense

The design of our defense is the product of the best composite judgment available for the fulfillment of our security needs.

First, we are devoting great sums for the maintenance of forces capable of nuclear retaliatory strikes. This capability is our indispensable deterrent to aggression against us.

The central core of our deterrent striking force is our Strategic Air Command with its long-range bombers. They are reinforced by naval aircraft, missiles of varying types, and tactical fighter bombers. This array will soon include weapons of even greater power and effectiveness.

The capacity of our combined striking forces represents an almost unimaginable destructive power. It is protected by a vast early warning system and by powerful air defense forces.

More and more this great retaliatory force will feature intermediate as well as long-range missiles capable of reaching any target on the earth. As we steadily go through the transition period from bomber to missile as the backbone of this striking force, we nevertheless continue replacing bombers, powerful as we know them now to be, with others of greater power, greater range, and greater speed. In this way we take care of the needs of this year and those immediately ahead, even as we plan, develop, and build for the future.

We are engaged in an endless process of research, development, and production to equip our forces with new weapons.

This process is tremendously costly, even should we consider it only in terms of money. If we are to master the problem of security over a prolonged period, we cannot forever borrow from the future to meet the needs of the present.

Therefore we must concentrate our resources on those things we need most, minimizing those programs that make less decisive contributions to our Nation. Effective defense comes first.

Missile Development

Today there is no defense field to which we are devoting more talent, skill, and money than that of missile development.

I'd like to have you look at this chart showing three lists of missiles.

Type	Now in use	Available in 1959	Active research and development
Air to Air	Genie Sidewinder Sparrow I Sparrow III Falcon OAR I Falcon OAR II	Falcon GAR III Falcon GAR IV	Falcon GAR IX Falcon GAR XI Eagle
Air to Surface	Bullpup	Zuni	Corvus Hound Dog Quail
Surface to Air	Nike Ajax Nike Hercules Terrier Talos	Hawk Bomarc	Tartar Nike Zeus
Surface to Surface	Honest John Corporal Redstone Regulus I Matador Thor	Little John Lacrosse Mace Jupiter Snark Atlas	Sergeant Pershing Polaris Titan Minuteman

The first list shows 17 different types of missiles now in use by our Armed Forces. The second list shows missiles that will be available for use in 1959. There are 11 different types. The third list shows 13 more types of missiles now in the research and development stages. In all there are 41 types of missiles.

Now there is, of course, a constant parade of improvement, with newer and better weapons constantly crowding out the older and less efficient ones. The first model of any new piece of equipment is always relatively primitive. The first sewing machine, the first typewriter, the first automobile—all left much to be desired. And even the rockets that dazzle us today will soon become the Model T's—the "Tin Lizzies"—of the missile age.

We must never become frozen in obsolescence.

In addition to the forces comprising our retaliatory striking power, we have potent and flexible naval, ground, and amphibious elements. We have a growing array of nuclear-powered ships, both submarines and surface vessels.

Worldwide deployment of Army divisions, including missile units, increases the ability of the U.S. Army and the Marines to rapidly apply necessary force to any area of trouble. At home, the Strategic Army Corps is ready and able to move promptly as needed to any area of the world.

I believe that the American people want, are entitled to, can indefinitely pay for, and now have and will continue to have a modern, effective, and adequate Military Establishment. In this overall conviction I am supported by the mass of the best military opinion I can mobilize and by scientific and every other kind of talent that is giving its attention to a problem to which I personally have devoted a lifetime.

Strength of Our Free-World Allies

As all thoughtful citizens know, our own security requires the supplemental and reinforcing strength provided by the free world's total.

In the Far East, nations with which we are associated in a common defense system have over a million trained soldiers standing watch over the free-world frontiers.

In Europe, the efforts of 15 nations are united in support of freedom.

In global totals our friends are contributing over 200 ground divisions, 30,000 aircraft, and 2,500 combatant naval vessels to the task of defending the free world. For every soldier we have under arms, our free-world allies have five.

Through each of these stout efforts we strengthen the bonds of freedom.

Our mutual security program supports this joint undertaking by helping to equip our partners with the weapons they cannot by themselves provide and by helping them keep their economies strong.

This mutual effort provides a constructive, long-term answer to the recurrent crises engineered by the Communists. It strengthens the stability of free nations and lessens opportunities for Communist subversion and penetration. It supports economic growth and gives hope and confidence to the cause of freedom. It is America's strongest instrument for positive action in the world today.

Last Friday [March 13] I sent to the Congress a special message presenting my recommendations for this important part of our defense and security program for the coming year.³ Let me repeat that definition of that program: It is an important part of our defense and security program for the coming year. In my judgment there is no better means of showing our resolution, our firmness, and our understanding of the Communist challenge than to support this program in full measure.

³ For text, see *ibid.*, Mar. 30, 1959, p. 427.

These funds are vital to our national and free-world security. Any misguided effort to reduce them below what I have recommended weakens the sentries of freedom wherever they stand.

In this conviction, also, I am supported by the military experts of our Government.

Standing Equal to the Challenge

Fellow Americans, of one thing I am sure: that we have the courage and capacity to meet the stern realities of the present and the future. We need only to understand the issues and to practice the self-discipline that freedom demands.

Our security shield is the productivity of our free economy, the power of our military forces,

and the enduring might of a great community of nations determined to defend their freedom.

We Americans have been, from the beginning, a free people, people who by their spiritual and moral strength and their love of country provide the mainspring for all we have done, are doing, and will do. In those truths we place our faith.

So, together with our allies, we stand firm wherever the probing finger of any aggressor may point. Thus we lessen the risk of aggression; thus we shall with resolution and courage struggle ever forward to the dream of a just and permanent peace.

God helping us, we shall stand always equal to the challenge.

Thank you and good night.

U.S. China Policy

by Walter S. Robertson

*Assistant Secretary for Far Eastern Affairs*¹

It has become a commonplace in making speeches to each other to say that Canadians and Americans share a common heritage. It is a commonplace because it expresses an obvious truth. We do indeed share a common heritage which, in the final analysis, we would both agree far transcends in importance any of the problems which arise from time to time to vex our neighborly relations. We are indeed the inheritors of personal liberties, without which all of our material blessings would count for naught—liberties which we take for granted as we do the stars but which are now denied, and always have been denied, to the overwhelming majority of the peoples of the world.

In the seeming security of our daily routine lives it is difficult to realize that our world is in a state of crisis, that we are indeed engaged in a global struggle for the survival of a free civilization. The Far East is a strategic and critical area in this struggle. It is a vast area: 13 countries, 900 millions of people, approximately one-third of the world's population. It includes: Japan, Korea,

China, the Philippines, Viet-Nam, Laos, Cambodia, Burma, Thailand, Indonesia, Malaya, Australia, and New Zealand; 11 Asian countries and 2 Anglo-Saxon countries in an Asian setting.

The 11 Asian countries comprise a region of great diversity, divided by sharp differences in tradition, religion, culture, and circumstances. The economies range from the great industrial, mercantile complex of Japan to the primitive economies of Southeast Asia. Eight out of the 11 of these countries have achieved their independence since 1945.

Taken as a whole, the area is one of great potential wealth in both human and natural resources but, with few exceptions, suffering from mass poverty and ignorance, economic and political instability, shortage of investment capital, shortage of technicians of all kinds, shortage of educational facilities, deep resentments of Western colonialism, deep suspicions of the white man, and fears of a new exploitation. It is an area seething with a new spirit of nationalism, social unrest, and rising aspirations for a place in the sun and a better life for its poverty-stricken millions. And interrelated with and overriding all of its problems are

¹ Address made before the Canadian Club, Ottawa, Canada, on Mar. 13.

the aggressions, infiltrations, and subversions of the international Communists.

Now it is the policy of the United States to meet this pervasive threat by helping to build up the military, political, and economic strength of our Far Eastern allies and friends as rapidly as possible. This is the sole purpose of our mutual security programs in these countries.

Yet the governments of all of these free countries without exception have a gnawing fear of the growing power and threat of Red China. And because Red China is a major threat to their newfound independence and therefore a major threat to the security of the free world, it is essential that China policy be coldly realistic and one that best serves free-world security interests and objectives.

Bipartisan Support

I need not remind you that U.S. China policy has been a subject of bitter controversy. It has disrupted friendships, has lent itself to name calling, to the questioning of motives, and in some tragic instances to the questioning of loyalty itself. But, strange as it may seem, U.S. China policy has probably enjoyed a larger measure of bipartisan support in the United States than any other major policy of our Government.

Since 1950 the difference in basic China policy between former President Truman and President Eisenhower is the difference between Tweedledum and Tweedledee.

In early 1950, following the Communist takeover of the mainland in December 1949 and about the time of British recognition, President Truman vetoed the recommendation made to him that we recognize Red China. The Republican attack on the Democrats in the 1952 election campaign was not on basic China policy as it then was but rather on what was alleged to have been the vacillations and blunders which had helped to create the Frankenstein monster of Red China and enhance its menace to the free world. In 1956, an election year, a Democratic-sponsored resolution, reaffirming support of the Republic of China and opposing the seating of Red China in the United Nations, passed the House by a vote of 391 to 0 and of 86 to 0 in the Senate. Not a single Congressman or Senator of either party was willing to vote against this resolution. This is a phenomenon unprecedented in American political history. When the

parties later assembled for their national conventions they adopted almost identical planks in support of this policy. In the recent Taiwan crisis Mr. Truman was among the first to come out in strong support of President Eisenhower's position. To repeat, the differences of opinion about China policy do not represent differences between political parties but rather differences between individuals, irrespective of party lines.

Herbert Feis called his book on the subject *The China Tangle*. It is a good name. The controversy is indeed a tangle, a tangle of truths, untruths, and half-truths. It is entangled by Communist propaganda and distortions. The Communists will always see to it that this is so. It is entangled by the unwitting acceptance by many highly respected and intelligent Americans of the subtle propaganda and misinformation to which they are subjected. It is entangled by our early failures to recognize the origin, nature, direction, and control of the Communist revolution in China. It is entangled by the corruption and ineptness which existed in certain elements of the Kuomintang but which was exploited so as to make it appear that all Chinese Government leaders were corrupt and inept. And, finally, it is entangled by honest differences of opinion among the objective and well-informed—differences of opinion which, thank God, have always existed and always will exist concerning public questions in the kind of free society we are struggling to preserve in the world today.

U.S. Policy Simple To State

But despite the tangle and however complex it might be in implementation, our policy is simple to state. On the one hand, our policy is to face up to the realities of Chinese Communist objectives, opposing the further spread of Chinese Communist influence and power. On the other hand, as a principal means to this end, our policy is to keep alive, support, and strengthen a non-Communist Chinese Government, firmly oriented to the free world, as a foil and a challenge to the fanatical, aggressive, hostile, and threatening International Communist regime of Peiping, an implacable enemy dedicated to the destruction of all the foundations upon which a free society rests.

It is often charged that our policy is tied to the political fortunes of one man: Chiang Kai-shek.

This is a *reductio ad absurdum*. Chiang is in fact a time-tested friend and ally. He has never broken his word to us or an agreement with us. Following Pearl Harbor in 1941 all of the Western powers were soon swept from the Western Pacific. We were swept about as far as we could be swept this side of the South Pole—Melbourne, Australia. When the Japanese had Chiang bottled up in Chungking, having occupied all of his ports of entry and large sections of his country, and Chiang with no ally within thousands of miles, they made him a princely offer to sell out to them. He refused, fighting on against overwhelming odds. This refusal saved thousands of Allied lives. Had he sold out, there would have been released from 1½ to 2 million additional Japanese troops to oppose our advance from the south.

He refused to sell out to the Russians. After the Russians had occupied Manchuria—that great prize which they received for 5 days of nominal participation in the Pacific war and, incidentally, the most strategic base in all of Asia for carrying out their objectives of communizing Asia—they invited Chiang to come into their economic orbit, saying that they would settle his Communist problem for him. He rejected this offer, and they retaliated by refusing to allow the United States to transport troops of the Nationalist Government into Manchuria to take over territory in accordance with solemn agreements to which the Soviets were party. Instead, the Soviets turned over vast areas and Japanese arms and equipment to the Chinese Communists. This despite the fact that on August 14, 1945, the day the Japanese surrendered, the Soviets had signed a treaty with the Republic of China acknowledging its sovereignty over Manchuria and pledging all moral, material, and military support to that Government.

And finally, Chiang has repeatedly refused to sell out to Peiping, which constantly plies him with lavish offers.

Be all this as it may, if Chiang should die tonight, the validity of our policy would in no way be affected. Today, as in the past, there are only two choices available to us: the anti-Communist Republic of China, our friend, or the International Communist regime of Peiping, a deadly enemy dedicated to our destruction.

In Chungking back in 1945, some of my friends and associates thought that the Democratic League offered a third force which we should cultivate

and support. It was later recognized as a Communist-front organization designed to ensnare the middle-of-the-road intellectuals.

Basis for Nonrecognition of Red China

Our opposition to the Red regime is not, as you are often told, based upon the disapproval of an ideology or an economic system, much as we abhor both. We recognize many totalitarian regimes with varying economic systems, and we have not refused to sit down with them in the world forum of the United Nations. Nor is our policy, as sometimes charged, based upon an emotional reaction to the Korean war. Our policy is a coldly realistic one, based upon three major considerations, all directly related to the overall collective security of the free world.

The first of these considerations is the security interest of the United States. It is often forgotten or ignored that the recognition of Red China would, as a practical matter, mean the liquidation of the Republic of China with all that would mean to our strategic, psychological, and moral position in our opposition to Communist expansion in the Far East. Taiwan is a vital link in our island chain of defenses in the Pacific, all now covered by bilateral defense treaties. The Chinese military forces on Taiwan of some 600,000 are an important factor in the military balance of power in the Pacific and a continuing deterrent to the renewal of Communist aggression in Korea or elsewhere in Asia. If Taiwan should be given over to the Communists, Japan, the Philippines, and all of Southeast Asia would be seriously threatened.

The second basic consideration is our interest in helping other Asian nations maintain their national independence. Our bilateral and multilateral defense treaties, as well as our mutual security programs, are designed to this end. If the United States were to abandon its commitments to the Republic of China in order to appease the threatening Red Chinese, no country in Asia could feel that it could longer rely upon the protection of the United States against the Communist threat. These comparatively weak nations would have no alternative but to come to terms—the best they could get—with the Peiping colossus. Not only could we then expect a rapid expansion of communism throughout Asia, but the moral

position of the United States upon which we must rely for much of our strength throughout the world would suffer irreparable damage.

The third major consideration is the long-range interests and future orientation of the Chinese people themselves. The anti-Communist Government of the Republic of China is a symbol of Chinese opposition to communism—the only rallying point in the world for non-Communist Chinese, the only Chinese alternate focus of loyalty for millions of Chinese on the mainland, on Taiwan, and throughout Southeast Asia. If the Republic of China should be liquidated, it would extinguish a beacon of hope for millions of mainland Chinese. Taiwan's 10 million would be delivered to the slavery of the mainland, and the 12 million overseas Chinese would automatically become increasingly dangerous cells of infiltration and subversion in the countries where they reside.

Let no one say that representation is being denied to 600 million mainland Chinese. The fanatical Marxists of Peiping come no closer to representing the will and aspirations of the Chinese people than the puppet regime of Budapest comes to representing the will and aspirations of the Hungarian people or William Z. Foster comes to representing the will and aspirations of the American people. They have given indisputable evidence that they are part and parcel of the apparatus of the international Communist conspiracy to communize the world.

Peiping's Unity With Moscow

Back in the 1940's, when the Chinese Communists were being reported by some observers as not being real Communists but rather the leaders of a democratic revolution for agrarian reform, Mao Tse-tung was writing of himself, "I am a Marxist dedicated to communizing China and the world under the leadership of Moscow." All of his subsequent actions have borne out his dedication to that goal. Peiping has demonstrated its unity with Moscow by faithfully following the labyrinthine twistings and turnings of Moscow's ideological line on bloc and world affairs. When there were rumblings of revolt in Eastern Europe, Mao sent Chou En-lai to rally the wavering satellites into unity "under the leadership of Moscow." In November 1957, when Mao visited

Moscow, he spoke to the students, including many Chinese, of Moscow University: "In the association of Socialist states," he said, "there must be a leader and that leader is Moscow."

Despite the price it had to pay in Asian opinion, Peiping proclaimed vigorous approval of Moscow's bloody suppression of the Hungarian revolt. It publicly applauded the execution of Nagy. Mao's bitter denunciation of Tito was not because Tito was not a Communist but rather because he dared to challenge the leadership of Moscow. Most recently, at the 21st Congress of the Soviet Union in Moscow, Chou En-lai addressed the Communists in these words: "The most sacred international duty of Communists in all countries at any time is to strengthen the unity of the countries in the socialist camp headed by the Soviet Union." Chou En-lai said to me one day in Chungking back in 1945, "Why do Americans come over here and go back and write that we are not Communists, that we are just agrarian reformers?" Then, with a light in his eyes, he said, "We are not agrarian reformers; we are Communists, and we are proud of it!"

The Peiping regime was imposed by force with the volition of only an infinitesimal fraction of the Chinese people. Today, after 9 years, less than 2 percent belong to the Party. It has kept itself in power by bloody purges and the liquidation of some 18 million of mainland Chinese in 9 years. No regime representative of its people would have to resort to wholesale murder in order to keep itself in power.

An Outlaw Regime

In our view the security interests of ourselves, of Asia, and of the free world as a whole demand that we take no action which would create international prestige for this regime, which would increase its capacity for advancing its objective of communizing all of Asia, or which would betray the hopes of those having the will and the courage to resist it.

Even if no security interests were involved, there is no basis either for the recognition of Peiping by the United States or for admission of that regime to the United Nations. By every standard of national and international conduct, it has proven itself to be an outlaw regime.

Take first the question of recognition by the

United States. Since the days of Jefferson, diplomatic recognition of a government by the United States has involved two major tests. The first test is whether the act of recognition would be in the interests of the United States. In our view the diplomatic recognition of Red China would not be in our country's national interests for reasons I have already mentioned. The other test for diplomatic recognition involves not only *de facto* control of territory but also the ability and willingness to live up to international obligations. What is the record of Peiping by this standard?

Gaining control of the mainland in December 1949, it promptly repudiated the international obligations of China. It confiscated without compensation properties of other nationals valued in the hundreds of millions of dollars, something over \$1 billion for the United Kingdom alone. It demanded and received as blackmail money hundreds of thousands of dollars additional before it would issue exit visas for the personnel operating these properties. It threw foreign citizens into jail without trial and subjected many of them to the most inhuman tortures. It has flagrantly violated the Korean and Indochina armistice agreements. It has failed to live up to its commitment to us, reached after long negotiation and publicly announced in Geneva on September 10, 1955, to release expeditiously all American citizens imprisoned in China.² Five are still being held as political hostages.

If any of you are inclined to say that, if we can tolerate the broken agreements of the Soviets, we should be able to overlook the long record of broken agreements by the Red Chinese, I would remind you that Soviet perfidy in breaking international agreements followed rather than preceded recognition by the United States.

The Bolsheviks seized power in 1917. Nevertheless we continued for 16 years to recognize the Kerensky government-in-exile. By 1933 it seemed that the Communist regime in Moscow might indeed be considered a peaceful member of society. It had committed no action of armed aggression for more than a decade. It had accepted the independence of Estonia, Latvia, Lithuania, and Poland—all later betrayed. It pledged itself to cease its subversive activities in the United States, to respect American rights in Russia, and to settle

Russia's public and private debts to the United States.

We need not question that action of recognition under the circumstances which prevailed at the time. However, who can now doubt that recognition would not have been accorded even in 1933 had there been clear warning that Soviet promises given in that connection were totally unreliable and that aggressive war would soon become an instrumentality of Soviet policy. In the case of Communist China, we have been clearly and unmistakably forewarned.

Question of U.N. Membership

Now how does Communist China qualify for membership in the United Nations?

You will remember when the United Nations was organized in 1945 it was exhaustively debated whether membership should be based upon universality or whether there should be qualifications for membership. It was decided that universality was not the test but rather that an applicant must fulfill certain qualifications. The charter finally adopted provides that only peace-loving nations willing to assume and live up to the obligations of the charter are eligible for membership. It further provides for the expulsion of members who violate the charter.

Is Red China a peace-loving nation?

Let us again look at the record. In February 1950, approximately 2 months after establishing its regime on the mainland, it issued a call to all the peoples of Southeast Asia to overthrow their governments, denouncing their leaders as puppets of the imperialists. Before the year was out, it invaded Tibet, even though the Peiping regime had just promised the Government of India that it "would settle the Tibetan question by peaceful means." Nine years later it is still engaged in fighting the rebellious Tibetans. Also, before the year was out, it invaded Korea. For the Korean aggression it was denounced by United Nations resolution as an aggressor against the peace of the world.³ That resolution is still outstanding, and Red China is still defying the United Nations, charging that the United Nations are the aggressors in Korea and therefore without moral competence to supervise free elections for the unification of the country. Today Red China is still

² For text of announcement, see BULLETIN of Sept. 19, 1955, p. 456.

³ For text of resolution adopted on Feb. 1, 1951, see *ibid.*, Jan. 29, 1951, p. 167.

threatening war in the Taiwan Strait, stubbornly refusing throughout 87 meetings in Geneva and Warsaw to renounce war as an instrument of national policy. Its philosophy was recently expressed by the Peiping Defense Minister in this language: "Ours is a policy of fight-fight, stop-stop—half-fight, half-stop. This is no trick but a normal thing."

By no stretch of interpretation of the United Nations Charter could Red China qualify under that charter as a peace-loving nation eligible for membership. Those advocating membership for Peiping are not demanding that Red China change its ways and conform its policies to United Nations standards but rather are insisting that the United Nations modify its standards to accommodate the lawlessness of Peiping. Those who are opposed to such denigration of the United Nations Charter are charged with being unrealistic and denying the existence of 600 million Chinese.

A Majority Position

You might think from much of what you read in the press that the U.S. occupies an isolated position in its refusal to recognize Red China. I would remind you that, of the free countries of the world, 44 recognize the Republic of China, 22 recognize Peiping. Many of the 22 recognized Peiping before it had demonstrated its lawlessness. Of the 13 countries of the Far East, only 3 recognize Red China. Instead of being isolated, we stand with the overwhelming majority of the countries of the free world in this position. It is essential that this majority continue to stand together. Other countries, particularly those most exposed to the immediate menace of Communist power, have been following the lead of such countries as yours and ours. Many of them are watching anxiously to see what we are going to do. If we should begin to break ranks and withdraw opposition to the reckless course of this aggressor, these countries would have no alternative but to get on the bandwagon so as not to be left out on a limb of opposition, deserted by strong free-world support.

I believe you will agree that the United States is the main military obstacle to Communist overt aggression in Asia. You might be interested in an evaluation of the Asian situation during the time of the Taiwan crisis by the Far East expert of the London *Economist* published October 11 last:

America's underlying dilemma . . . might be summed up in the words: "Little Brother is watching you." Anxious little brothers are indeed watching the United States from all sides, and their anxieties are of exhercatingly contradictory kinds. When Mr. Dulles talks tough about Quemoy, European stomachs flutter; but when he seems to be giving even a mere inch of ground, Far Eastern hearts sink. The Quemoy drama is being played out with the ringside seats occupied by uneasy Japanese, Koreans, Vietnamese, Filipinos, and other Asian peoples who must take into account the possibility that some day American power may withdraw altogether across the wide Pacific, leaving them alone with the newborn Chinese giant. . . . And they recall that for years Peking and Moscow have canvassed twin projects for "mutual security" systems in Asia and in Europe, both of which would exclude the United States, so that China would be the dominant power in one sphere, Russia in the other. It is the complete disappearance of the American "presence" from the scene that the communists are after. And whether anti-western feeling and neutralism are weak or strong in these Asian countries and whatever their public postures, they know well enough that if the eagle once takes flight, the dragon—and perhaps the bear too—will have to be propitiated.

If America really retires, China's immediate neighbors will inevitably again become China's vassals—not necessarily by military conquest, but by the impossibility of their resisting for long the pressure which their huge and dynamic neighbor can put upon them in many forms.

Our view of the China situation is the same as that we hold with respect to the other three divided countries of the world where the Communists now exercise *de facto* control over large areas of territory. We consider it to be in our national interest and in the interest of the free world as well to recognize the Republic of Korea, not the Communist regime of north Korea; to recognize the Republic of Viet-Nam, not the Communist Viet Minh regime of Ho Chi Minh; to recognize the Federal Republic of Germany, not the Communist East German regime. In none of these countries do we advocate the use of force to achieve unification, nor do we advocate the use of force for the unification of China. In fact, the contrary was recently proclaimed in the joint communique of President Chiang Kai-shek and Secretary Dulles in Taiwan in October of last year.⁴

It is now being stated in certain quarters that we are drifting to a two-China policy. We do not have a two-China policy any more than we have a two-Korea policy, a two-Viet-Nam policy, or a two-German policy.

In closing I should like to mention an ancient Chinese proverb. It is in the form of question and

⁴ For text, see *ibid.*, Nov. 10, 1958, p. 721.

answer. "What is the cure for muddy water?" the question goes; "Time" is the answer. In the long rollcall of history, nazism and fascism will be episodes only, dark incidents if you will. So, too, will communism be, although the most evil and pervasive of the three. Man will not permanently endure the cruel enslavement imposed by the ruthless regimes of international communism. But his liberation will be immeasurably delayed by frustrated appeasement of the forces which enslave him. An awful responsibility rests upon us—upon our patience, upon our steadfastness, upon our courage, and, above all, upon our strength. How we counter the menace now posed to our freedom will determine the climate of the world for as far into the future as we can see.

Under Secretary Dillon To Attend SEATO Council of Ministers Meeting

Press release 192 dated March 16

Under Secretary for Economic Affairs Douglas Dillon will head the U.S. delegation to the fifth annual Southeast Asia Treaty Organization Council of Ministers meeting at Wellington, New Zealand, April 8-10. He will be accompanied by Assistant Secretary for Far Eastern Affairs Walter S. Robertson and Department of State Counselor G. Frederick Reinhardt. Other members of the delegation will be announced later. The Council will review the accomplishments of the year and approve plans for future activities and development of the organization.

Following the Wellington meeting Mr. Dillon, Mr. Robertson, and Mr. Reinhardt will go to Baguio, the Philippines, for the annual meeting of American ambassadors in the Far East.

Letters of Credence

Cuba

The newly appointed Ambassador of Cuba, Ernesto Dihigo y López Trigo, presented his credentials to President Eisenhower on March 16. For texts of the Ambassador's remarks and the President's reply, see Department of State press release 190.

President of El Salvador Concludes Talks With President Eisenhower

White House press release dated March 13

JOINT STATEMENT

President José María Lemus, of the Republic of El Salvador, today concluded a three-day State Visit to Washington, departing for New York at 9:15 a.m.

During the course of the State Visit President Lemus and the President of the United States held useful discussions on matters of interest to both countries. These talks dealt primarily with United States-El Salvador relations but also included an exchange of views on significant developments in inter-American affairs.

While in Washington President Lemus addressed a Joint Meeting of both houses of Congress, and he and members of his Party conferred with the Acting Secretary of State and other United States Government officials. After leaving Washington President Lemus will visit New York, Springfield, Illinois, Houston, Texas, and New Orleans and will meet governmental, cultural, and business leaders.

I.

The two Presidents reaffirmed the traditional close ties of friendship and cooperation between their countries and are confident that the people of El Salvador and the United States will continue to enjoy the benefits of this close association in the future. The Chief Executives of the two countries recognized that these relationships are based upon mutual respect and upon loyalty to the same principles of democracy and individual rights. The two Presidents noted the fact that the United States and El Salvador continue to stand shoulder to shoulder with those nations of the world acting in defense of these worthy objectives and would continue to strive for peace and justice.

II.

The two Heads of State discussed the problems created for the coffee-producing nations, including the Republic of El Salvador, by the decline of coffee prices in the world market. It was recognized that the health of the economy of El Salvador is heavily dependent upon export earnings for this commodity and that the United States is

deeply interested in the situation of the coffee-producing countries. It was agreed that the two countries would continue to work through the Coffee Study Group to seek, in cooperation with principal coffee-producing and consuming nations, reasonable ways of ameliorating the general situation in the world coffee trade.

III.

The President of El Salvador and the President of the United States discussed recent developments in the field of the economic integration of Central America and creation of a common market in that area. It was agreed that the establishment of an economically sound system for the integration of the economies of the Central American Republics and for a common market comprising those nations would be beneficial and would receive the support of the Governments of El Salvador and the United States. The two Presidents agreed that these steps could make a significant contribution to the industrial development of Central America, to the stimulation of capital investment in those nations, and to the steady improvement of the welfare of the people. This subject will receive continued study by the two Governments with a view to taking appropriate action to carry on those sound plans already contemplated.

IV.

The two Presidents discussed the proposals to establish an Inter-American Development Banking Institution and agreed upon the need to act in support of sound plans to establish such an institution. They recognized the need for stimulation of Latin American economic development through increased availability of capital from both public and private sources on a sound basis. It was agreed that such an inter-American institution, when properly established, would be a valuable supplementary source of capital for the nations of Latin America. In accordance with this position the United States would also continue its present loan programs in Latin America.

V.

President Lemus and President Eisenhower were deeply aware of the need for the greatest possible mutual understanding among the Ameri-

can Republics and believe that the understandings reached and the personal relationships developed will contribute to the steady strengthening of the traditionally close inter-American ties.

JOSÉ MARÍA LEMUS

DWIGHT D. EISENHOWER

U.S. Suggestions for Promoting Economic Development of Americas

Press release 169 dated March 10

The State Department on March 10 made public the text of the following statement of "United States Suggestions for Promoting the Economic Development of the Americas." Copies of this statement were made available to the delegations of the other Government members of the Committee of 21¹ on February 28, 1959.

The Delegation of the United States is pleased to set forth herewith the views of its Government on the approach it believes could be employed most effectively in promoting economic development in the Americas.

1. General

Between the years 1950 and 1957 there was a 4.5% average annual rate of growth in the gross national product of Latin America, a rate which substantially exceeded the rate of growth in the United States and most, if not all, other areas of the free world. There is good reason to expect that this rate of growth can not only be maintained but accelerated, assuming a continuation of inter-American cooperation and the pursuit of sound economic policies by all of the American states.

If, however, we speak of increasing *per capita*, as distinguished from national, income, it is necessary to take into account the rate of population growth in the area. Only a half century ago all of Latin America had 61 million inhabitants. Today the figure stands at approximately 185 million. Forty years from now, if the present rate continues, population will treble again and, by

¹ For background, see BULLETIN of Jan. 26, 1959, p. 144.

the turn of the century, stand at almost 600 million. The United States and Canada, by comparison, will have, according to these estimates, only 312 million inhabitants at the turn of the century.

The United States has therefore on various occasions expressed its agreement with the thesis that the task of increasing *per capita* income is, in view of the projected rapid increase in population, so formidable that it must be attacked on all fronts by all of the American states. Not only must account be taken of the private capital and technical know-how required to create employment for those who today are under-employed or unemployed but also of the need to create new jobs for an ever larger number of workers. In addition to the expansion of industry and agriculture which this implies, very large additional amounts of public funds will be required for facilities which only governments can provide; for example, highways, sanitation facilities, hospitals and schools.

In these circumstances it will be necessary substantially and rapidly to increase production.

A dynamic rate of economic growth is possible within a democratic system of government which respects the dignity of man and attends to his essential needs, both material and spiritual, provided there is a concerted effort on the part of individuals to expand production supported by the continuous administration of sound government policies. The rapidity with which the national product can be increased depends in large measure on the sacrifice which peoples and governments elect to make.

It is against this general background that the Government of the United States considers that all facets of the problem of increasing living standards need to be appraised. These facets can be divided into various specific separate categories.

2. Specific

(a) *Increasing the Flow of Public Funds Into Economic Development Projects.*

It would not be appropriate for the United States to pass judgment on the feasibility of the adoption by other governments of policies to encourage domestic savings and to mobilize larger amounts of domestic capital for investment and productive enterprise.

Insofar as the United States is concerned, there have existed for some time very heavy taxes on individuals and corporations. Notwithstanding these tax burdens, the United States in recent months has, within the spirit of Operation Pan America, undertaken to increase in very substantial amounts its public funds available for economic development assistance to Latin American countries.² The magnitude of such amounts is indicated by the following specific actions of the Government of the United States:

(a) Current negotiations for the formation of an inter-American financial institution, the total capital of which should initially approximate \$1 billion, a substantial proportion to be contributed by the United States;

(b) A recent increase of \$2 billion in the lending authority of the Export-Import Bank, which conducts close to one-half of its total operations in Latin America;

(c) President Eisenhower's request of February 12, 1959 for Congressional authorization to increase the United States contribution to the International Monetary Fund by \$1,375,000,000.³ This will facilitate increased quotas for Latin America and would thus materially assist countries in balance-of-payments difficulties.

(d) President Eisenhower's request of February 12, 1959 for Congressional authority to increase by \$3,175,000,000 the contingent liability of the United States to facilitate the doubling of the lending facilities of the International Bank for Reconstruction and Development.³ A substantial proportion of this increase may be expected to be utilized in Latin America.

(e) Increased resources for the Development Loan Fund. Requests have been made to the United States Congress for a supplementary \$225 million for fiscal year 1959 and \$700 million for fiscal year 1960.

We agree that even larger amounts of public funds from all American Governments will be required for economic development in the future.

² For remarks by Under Secretary Dillon before the Special Committee of the Council of the Organization of American States To Study the Formulation of New Measures for Economic Cooperation, together with a declaration approved by the Committee at its closing session, see *ibid.*, Jan. 12, 1959, p. 48.

³ *Ibid.*, Mar. 9, 1959, p. 347. For statements by Under Secretary Dillon and Secretary of the Treasury Robert B. Anderson, see *ibid.*, Mar. 30, 1959, p. 445.

While the Government of the United States is unable, by the nature of the democratic process, to make further commitments at this time for fixed amounts over a period of years, it may confidently be expected that the United States people and Government will cooperate wholeheartedly in supporting the efforts of other Governments to increase the rate of development, looking toward fulfillment of the American aspiration of improving the living standards of all the Americas.

(b) Increasing the Flow of Private Funds Into Economic Development Projects.

The ability of all American Governments to provide funds through taxation for economic development is limited. The magnitude of the task, rather than doctrinaire reasons, requires, therefore, that new efforts be made to attract larger and larger amounts of private capital to supplement public funds.

In the past few weeks various delegations have considered measures which can be taken by the capital importing and capital exporting countries to facilitate a greater flow of private investment.

The United States would also support sound programs for increasing domestic savings and mobilizing them for investment in productive enterprise.

(c) The Need for Better Planning of Economic Development.

The Government of the United States shares the view that there is an urgent need for better development planning.

Differences in the economies of the various American nations suggest that planning would be more meaningful and effective if it be done on a national basis. We have three specific suggestions in this regard:

First, a draft proposal has been submitted for certain economic studies to be undertaken by the Secretariat of the Inter-American Economic and Social Council on a country-by-country basis. These studies should, by developing basic data regarding economic development in each country, prove most useful to governments in their economic development planning.

Second, there should be created within the new inter-American banking institution a technical assistance department, staffed with the best technicians available, for the purpose of advising with

governments concerned on the formulation of economic development policies and plans, assigning priorities among projects and assisting in the preparation of projects for both public and private financing. Firmly believing that this type of assistance will be of prime value, the United States has stated its support of the proposal that it be established. The draft charter of the new organization deals with this subject.

Third, the United States has suggested an annual high-level meeting of economic experts to exchange, on an informal basis, information and views on current economic problems, particularly as they relate to economic development. This would provide all governments with an opportunity to review periodically the progress being made and to exchange ideas for improvements that could be made in their individual and common efforts.

(d) Increased Trade as a Means of Promoting Economic Development.

The United States considers that increased trade between Latin America and the free world is indispensable to rapid economic development. Although conscious that under the democratic system which we all cherish and defend occasional setbacks will be suffered, we have and will continue to cooperate, within the framework of the GATT [General Agreement on Tariffs and Trade], to remove barriers to international trade, including especially barriers to the sale of Latin American primary products.

Within this principle of increased international trade, the United States also supports the efforts of Latin American Governments to create, in cooperation with ECLA [Economic Commission for Latin America], one or more regional markets designed to increase trade within the area, to provide larger international markets, and to improve efficiency of production through competition so that more goods may be made available to the public at cheaper prices.

(e) Search for Means To Prevent Excessive Fluctuations in the Prices of Primary Products as a Means of Promoting Economic Development.

The Governments of the American states are already aware of the cooperation of the United States in facilitating international arrangements by exporting countries to stabilize the coffee market.

While we do not believe that commodity agreements, in general, serve the objective of obtaining more efficient production and distribution, we recognize that they may serve temporarily to avert severe economic dislocations and to furnish time for governments to remove basic causes of imbalances and we have therefore also cooperated in the search for ways of bringing world production of lead and zinc into better balance and stand ready to examine other problems on a commodity by commodity basis. The United States is participating in the preparation of a draft resolution on this subject. Work is actively proceeding.

(f) *IA-ECOSOC Consultation.*

Some American Governments have suggested from time to time that inter-American consultations and understanding on economic problems of hemisphere interest would be facilitated by the constitution of the IA-ECOSOC [Inter-American Economic and Social Council] as the OAS forum for this purpose.

(g) *Sound Economic Policies.*

An indispensable aspect of the problem of economic development is the continuous application of sound monetary and fiscal policies. In recent years, progress has been made in obtaining a better public understanding of this problem, and some governments are already taking courageous measures to restore confidence in their currency and to put into effect policies which facilitate sound and rapid development. The Government of the United States continues to offer its cooperation in programs designed to accomplish this objective. The increased financial resources which have been made available to the Export-Import Bank and which are to be made available to the International Monetary Fund under current United States policies should make this cooperation even more effective.

(h) *Need for Low Cost Housing.*

The need for adequate low cost housing in Latin America constitutes a major problem which requires adoption of effective policies and programs by the various governments. Convinced through experience that private investment offers the most promising source for housing development, the United States is recommending specific technical and other assistance designed to aid in

development of savings and loan institutions in order to mobilize savings which can be utilized under appropriate Government guidance and insurance, both of savings and of mortgages. Of similar importance is the need of technical assistance to the housing construction and building materials industries.

(i) *Support for Increased Agricultural Cooperation.*

Agriculture as a principal economic activity of the Latin American countries offers an area in which inter-American cooperation can prove most fruitful. The Inter-American Institute of Agricultural Sciences is the agency of the Organization of American States dedicated to the improvement of agriculture in the Americas through training and research activities. Reaffirmation of the need to strengthen the activities of the OAS in the agricultural field is highly desirable, as is also recommendation for the fullest possible support and participation of all member states in the Inter-American Institute of Agricultural Sciences.⁴

3. Concluding Comments

Doubtless the proposals referred to above, if they meet with the agreement in principle of others, will be modified and perfected in many respects.

The Government of the United States takes this opportunity to reiterate its support of Operation Pan America, so well stated by President Juscelino Kubitschek.⁵ In fact, the United States has doubly welcomed President Kubitschek's initiative, which it believes restates a fundamental attitude inherent to but transcending our current deliberations.

It has been within this concept that the United States has already taken significant initiatives, some involving major policy changes. As these are directed toward the objectives expressed in Operation Pan America, they do, in fact, constitute an integral part of the operation itself.

⁴ For a U.S. statement on the signing of the Protocol of Amendment to the Convention on the Inter-American Institute of Agricultural Sciences on Jan. 7, see *ibid.*, Jan. 26, 1959, p. 126.

⁵ For an exchange of correspondence between President Eisenhower and President Kubitschek of Brazil, see *ibid.*, June 30, 1958, p. 1090.

As such, it is the belief of the United States that these initiatives will serve to supplement the measures and recommendations now in preparation in the Working Group of the Committee of 21.

The problem of increasing productivity at a pace adequate to meet the needs of the fast-growing populations of Latin America is perhaps the most important challenge of our times. It can be met if the American peoples and their governments each take the necessary measures in the same spirit of cooperation which characterizes inter-American relations. The people and Government of the United States will, within the limits of their ability, bear their share of the burden.

FEBRUARY 28, 1959

U.S. and Industry Leaders Discuss European Coal Situation

Press release 182 dated March 13

Representatives of U.S. coal producers, exporters, and mine workers met on March 13 with W. T. M. Beale, Deputy Assistant Secretary of State for Economic Affairs, to discuss current developments in the European coal situation. Elmer Bennett, Under Secretary, and Royce A. Hardy, Assistant Secretary, Department of the Interior, and Millard Cass, Deputy Under Secretary of the Department of Labor, also participated. This was the fourth meeting in the continuing consultations between leaders of the U.S. coal industry and Government officials that have taken place since last September, when the Federal Republic of Germany imposed licensing controls on coal imports.¹

Reports of action by the European Coal and Steel Community in dealing with the coal problem on a Community-wide basis were the focal point of the discussion. Mr. Beale outlined the proposals which the ECSC was considering and which involved curtailment of U.S. coal exports to Europe. He reported in detail on the steps which had been taken by the U.S. Government to safeguard the interests of the U.S. coal industry in this important European market. He outlined a program of continuing action which the U.S. Gov-

ernment was following in its efforts to mitigate the adverse effects of the European coal surplus problem on the American coal industry. The U.S. coal industry and the U.S. Government representatives agreed that strong efforts should be made to prevent the burdens involved in bringing about an adjustment in European coal production from being imposed primarily on foreign coal exports to Europe. Additional comments and suggestions which the U.S. coal industry and labor representatives offered will be taken into account by the U.S. Government in its efforts to foster and protect U.S. coal exports to the European market.

Representatives of the U.S. coal industry present at the meeting included: D. T. Buckley, Castner, Curran & Bullitt, Inc., and the Coal Exporters Association of the United States, Inc.; James W. Haley, Jewell Ridge Coal Sales Co., Inc., Washington, D.C.; S. T. Hutchinson, General Coal Co., Philadelphia; Peter F. Masse, C. H. Sprague & Son Co., New York; F. F. Estes, Executive Secretary, Coal Exporters Association; and John Owens, representing the United Mine Workers' Union of America.

U.S.S.R. Selects Final Four Films Under Exchange Agreement

Press release 202 dated March 19

The Department of State announced on March 19 that it has been notified by the Soviet Union of its selection of the final 4 of the 10 pictures purchased from American film companies under the cultural, technical, and educational exchange agreement between the United States and the U.S.S.R.¹ The four motion pictures selected are: "Rhapsody," "Man of a Thousand Faces," "The Seventh Voyage of Sinbad," and "Beneath the Twelve Mile Reef."

The six pictures previously selected by the Soviet Union to be purchased under the agreement from American companies are: "Lili," "The Great Caruso," "Oklahoma!," "The Old Man and the Sea," "Marty," and "Roman Holiday."

¹ For text of agreement, see BULLETIN of Feb. 17, 1958, p. 243; for text of a memorandum of agreement on film exchanges, see *ibid.*, Nov. 3, 1958, p. 697.

With this announcement the Soviet Union has selected the 10 films which they have agreed to purchase as an initial step in carrying out the provisions of the motion picture section of the cultural agreement.

Seven Soviet motion pictures have been selected by U.S. film companies for distribution in the United States. The titles of these films are: "The Cranes Are Flying," "Swan Lake," "Circus Stars," "Othello," "Don Quixote," "Quiet Flows the Don," and "The Idiot."

Arrangements are currently being discussed regarding a premiere to be held in Moscow and Washington of the first film released in each country under the terms of this agreement.

DLF Releases Summary of Loans to Date

Press release 175 dated March 11

The U.S. Development Loan Fund to date has made or approved 71 loans totaling \$631,756,000 to public and private borrowers in 33 countries according to a listing made public on March 11. In addition, \$5,800,000 worth of DLF loans have been approved but letters of advice containing basic terms have not yet been laid before the loan applicants; and a further \$46,250,000 have been committed by the DLF to cover loan programs in advance of agreement on specific projects. DLF loan commitments to date thus total \$683,806,000.

The Development Loan Fund is a U.S. Government corporation established to help individuals and governments develop the economic resources and productive capacities of free nations. It lends money for constructive purposes for which capital cannot be obtained from other sources, accepting repayment in local currencies if necessary.

The new list includes brief descriptions of all loans signed or approved by the Fund from its inception on June 30, 1957, through February 28, 1959. Copies are available at the DLF offices at 1913 I Street NW., Washington 25, D.C.

The list shows that DLF loan operations to date break down as follows:

Fourteen loans totaling \$50,040,000 to borrowers in 10 Latin American countries;

Seven loans totaling \$28,840,000 to borrowers in 5 countries in Africa;

Five loans totaling \$53,100,000 to borrowers in 3 European countries;

Nine loans totaling \$112,200,000 to borrowers in 5 countries in the Near East;

Seventeen loans totaling \$248,450,000 to borrowers in 3 countries in South Asia; and

Nineteen loans totaling \$139,126,000 to borrowers in 7 Far Eastern countries.

The principal borrowing countries were India, with 7 loans totaling \$175,000,000; Pakistan, with 7 loans totaling \$70,200,000; Iran, \$47,500,000 (one loan); and Taiwan (Formosa), with 8 loans totaling \$39,486,000.

Development Loans

Malaya

The United States and the Government of the Federation of Malaya on March 18 signed two agreements by which the U.S. Development Loan Fund will lend the Federation up to \$20 million to assist in construction of roads and bridges throughout the Federation and the development of deep-water port facilities in the North Klang Straits. (For details, see Department of State press release 200 dated March 18.)

Republic of China

A \$686,000 loan to the Land Bank of Taiwan to help expand the fishing industry of the Republic of China, an important source of food for the island's expanding population, was signed on March 18 by officials of the U.S. Development Loan Fund and the Chinese Embassy. (For details, see Department of State press release 198 dated March 18.)

The Mutual Security Program—An Indispensable Support to U.S. Foreign Policy

Following are statements made before the House Foreign Affairs Committee, during hearings on mutual security legislation, by Acting Secretary of State Christian A. Herter, Under Secretary of State Douglas Dillon, Secretary of Defense Neil H. McElroy, and Gen. Nathan F. Twining, USAF, chairman of the Joint Chiefs of Staff.

STATEMENT BY ACTING SECRETARY HERTER, MARCH 16

Press release 186 dated March 16

Secretary Dulles has asked me to convey to you his regret that he cannot be with you to open these hearings on the mutual security program.¹ As you know, he believes most deeply that this program is of vital importance to the American people and that it is an indispensable support to the conduct of our foreign policy. I am sure you are aware that the proposals now before you were prepared under Secretary Dulles' direction earlier in the year.

I think you know my own feeling about this program. I have followed it with the greatest interest since before the inauguration of the Marshall plan. I look back with a great deal of satisfaction to the opportunity I had to work with many members of this committee and others still in the House on the development and enactment of that program. I also recall with appreciation my association with this committee in the development of the military assistance program and in the development and enactment of the point 4 technical cooperation program.

One of my first responsibilities on returning to Washington in 1957 was to help work out plans for the Development Loan Fund—that important

¹ For the President's message to Congress on the mutual security program, see BULLETIN of Mar. 30, 1959, p. 427.

advance in the mutual security program acted upon by your committee 2 years ago.

I mention these programs because they still constitute major categories of the mutual security program. I mention them further because I recall so clearly how in enacting these measures the Congress believed it was providing the executive branch with tools necessary to the successful conduct of our foreign relations. Yet at the same time many of us felt concern, which I shared, as to how well the programs would work. I feel that I can report to you from my personal experience of the 2 years I have now spent in the Department of State that I have found that our hopes for the effectiveness of these programs have been realized to an unusual degree.

I. Our Mutual Security Program—Essential to Survival as a Free Nation

The essence of my experience and of my belief is that the military, economic, and technical programs of our mutual security system—developed over the last 10 years—are vital instruments of our security. If we do not persist in their vigorous and continued application, our foreign policy will become ineffective.

In the face of the great challenges which confront our country—and indeed the entire free world today—the mutual security program now before you is fundamental to the peace of the world, our own future welfare and progress, and in the years ahead the survival of our American Nation and our American way of life as we now know it.

II. The Challenges We Face

These great challenges with which we are faced are three in number.

Most immediate is the threat of Communist imperialism. The world's second most powerful na-

tion, the Soviet Union, together with the most populous, Communist China, have the clearly announced intention of imposing their way of life over the rest of the world. The Sino-Soviet leaders have pursued their course with energy and skill. They dominate a third of the world's peoples—populations expanding at a startling rate. They have at their disposal great resources, strong military forces, highly developed scientific and technical capacities, as well as long-range plans of economic penetration.

Beginning in 1954 the Sino-Soviet bloc began the intensive use of economic and military assistance programs to gain greater influence in the less developed countries, particularly in the vast areas of Asia and Africa. This program has been accelerated during the past year.

We have no excuse for any doubt as to the purpose or seriousness of this drive. Mr. Khrushchev in his speech to the 21st Party Congress only 6 weeks ago stated it quite plainly for us:

Economics is the main field in which the peaceful competition of socialism and capitalism is taking place, and we are interested in winning this competition in a historically brief period of time.

. . . with the support of leading socialist countries some countries which lagged behind in the past could switch over to a socialist regime, and after a certain phase of development to communism, bypassing the capitalist phase of development.

The second challenge stems from the march toward independence and economic viability of colonial peoples. The consequence of this revolution of rising expectations has been that, since World War II, more than a quarter of the world's population has been struggling to make new-found freedoms a permanent way of life. These peoples earnestly desire, and as earnestly need, technical skills, new institutions, and development capital to create order and progress in their newly established nations. Their parents and grandparents were resigned to poverty and disease. But the new generation, although still surrounded by poverty and disease, is determined—at almost any cost—to change these conditions.

These people value national freedom and the idea of democracy. But for many the need and desire for improvement in their standards of living is so compulsive that they will choose to advance under duress and dictatorship if they believe that to be the only way. Communist prop-

aganda repeatedly insinuates the theme that communism is their only hope.

The Communists have recognized this great current of change and are doing their utmost to channel it into a world force which will facilitate the spread of international communism and eventually be controlled by it. If we consider the fact that the population of the world is expected nearly to double in the next generation, we will appreciate what is at stake—not so much for ourselves or the Sino-Soviet world as for the people in the lands between us whose decisions will increasingly affect the peace in which we live and the freedoms we enjoy.

The third challenge lies in the interdependence of the free nations of the world. Rapid advances in transportation and communications have brought the most distant parts of the world together. We are closer to New Delhi in time than we were to San Francisco only a generation ago. The tremendous demand of our military power and our peaceful industry for raw materials is creating an increasing need for supplies from outside our own Nation. Even more acutely, the enormous populations and the military forces maintained by the Communist bloc are increasingly creating the need for reliance of the free-world nations upon each other for common defense.

III. The Objectives of Our Foreign Policy

I have said that the mutual security program supports our efforts to achieve the objectives of our foreign policy in the face of these challenges. What are these objectives of our foreign policy?

First, we are trying to establish a stable political world order, a necessary prerequisite to which is a durable peace.

Second, we are encouraging the economic growth of free nations, for both practical and humanitarian reasons.

Our third objective, beyond the limits of national survival and progress, is to gain ever-widening acceptance of the idea of the freedom and dignity of the human individual.

IV. The Mutual Security Program in Support of Our Foreign Policy Goals

These, then, are the three main themes of challenge and the three main themes of our foreign policy. If we consider the principal categories

of the mutual security program we will see in them the mechanisms essential to attain our policy objectives in the face of the challenges confronting us.

Military considerations come to mind first because of their immediacy. In the face of the Soviet threat it has been only common sense to develop a worldwide system of alliances with 42 nations in order to make our defenses all the more powerful because they are collective.

The effectiveness of this system would not be possible without the military assistance, defense support, and the special assistance provided under the mutual security program. Secretary McElroy and other witnesses will deal at greater length with the military implications of mutual security.

Through the help of the mutual security program our friends in the free world support ground forces totaling more than 5 million men stationed at points where the danger of local aggression is greatest. These nations man an air force of about 30,000 aircraft, of which nearly 14,000 are jets. They have also made available to our use some 250 bases in strategic locations, bases which are indispensable to the full effectiveness of our deterrent powers. These allies have also contributed some \$141 billion for their defense effort—to which we have added a total of some \$22 billion for arms, equipment, advanced weapons, and training.

In addition to the great power buildup in the territories of our Western European allies, we are aiding 12 other nations, both by military assistance and defense support, to create and maintain forces whose existence supports our foreign policy objectives. These nations together provide 3 million armed forces—of this 5 million I have just mentioned.

The magnitude of these figures illustrates the larger principle which we must not lose sight of—that in working together the free nations bring to each other a defensive capacity we would never be able to afford if we tried to do it alone. Just as our partners rely on us for the strength we contribute to the common defense, so are we reliant on them for the vital contribution they make.

Much time and effort has gone into the process of welding together this military shield with the idea that, under the increased safety which it affords, we may grapple with some of the other realities of our time.

In less dramatic but equally compelling terms, the mutual security program is mounting an increasing effort to help the less developed nations stabilize and develop their economies. This need should be clear when we consider that 21 nations in Asia and Africa have won their independence since World War II. With 750 million people in these countries who need food, clothes, housing, and jobs it is understandable that we should help them consolidate an economic base upon which to build their political and social institutions unmolested.

The principal instrument of the mutual security program to support this second major goal of our foreign policy is the Development Loan Fund.

In the short period—little over a year—in which the Fund has been in operation, it has realized the hopes which were held for it as a new means of forwarding our foreign policy. Already nations striving to build a foundation for economic growth are turning to it for capital. Some \$2.9 billion in applications for help on projects of basic economic importance have been taken under consideration by the Fund. We believe the Fund is so important that great effort has been expended getting it under way rapidly. For all practical purposes it has already exhausted its present capital.

I should like to emphasize to you as strongly as I can that the full new capital the President has requested is the barest minimum to enable this sound and unique institution to continue as an essential support of our policy of achieving economic development in less developed areas.

Economic growth and, indeed, progress toward full realization of political independence call for technical skills in greater abundance than now available in many of the less developed areas. We provide these skills through the point 4 technical cooperation program first written by this committee 10 years ago. This fundamental program to help others advance by sharing our technical know-how has worked with increasing effectiveness in the basic fields of agriculture, health, and education, as well as in labor, industry, and social welfare. The increase in the request for fiscal year 1960 is to meet new and increasing needs in Africa, Asia, and Latin America.

The program among our neighbors to the south is increased by one-fourth. This increase in tech-

nical cooperation is a corollary to the proposed inter-American bank now being planned.

I have already referred to special assistance as a major support of this common defense of the whole free world. It has another function as well. It includes those funds for health and educational programs of immense importance to wide areas of the world. Primary among these is the malaria control program which reaches directly into the homes and lives of over half the human race. In addition we are developing a program to assist in establishing pure water supplies which may also reach directly to great numbers of the ordinary citizens of the nations we seek to help. Special assistance also includes increased support for certain of our American-sponsored schools abroad which have become centers of education for young people who have become leaders of their own nations. Our help to these schools will provide invaluable educational facilities for new generations of future leaders.

I would like to invite your particular attention to the contingency fund. It would be difficult to overstate its importance. Hard experience has shown us that in the constantly changing world situation with which we are dealing, emergencies will often arise for which a contingency fund, unprogramed and available, will be indispensable.

V. The Cause of All Mankind

These many elements of mutual security—whether military, economic, technical, or social—are interrelated and mutually support each other. They are coordinated according to long-term needs in widely separate areas and to sudden demands on one spot of the map. But these programs, however diverse, have unity in that they focus on the essential problems of the world in relation to the guiding principles of our foreign policy. Our aim, while recognizing what is most immediate—the news that catches the headlines—is not to lose sight of what is equally real, the slower development of liberty and the techniques of democracy in other lands.

I do not believe that our cause today is any less great than when Benjamin Franklin described it at the birth of our Nation as “the cause of all mankind.”

The mutual security effort has deep ideological roots in our history. We believe that the ideas of 1776 can be made increasingly attractive and

applicable to the rest of the world. Our effort also stems from the basic urge of self-preservation translated into 20th century terms.

Self-preservation these days is not a waiting game. It demands imagination and initiative. This is why our response to the challenge of the 1960's is not so much a reaction to the dangers of international communism as it is an affirmative, flexible, and spontaneous demonstration of our ability to learn and lead in a world of multiplying problems.

The mutual security program must be carefully scrutinized and intelligently administered. But the fact of its existence reflects a larger appreciation: that the need to help other people—on a long-term, sound financial basis—would exist because of the other great revolutionary changes at work in the world, even if the threat of communism and the Sino-Soviet bloc did not exist. Revolutionary communism highlights the perils of our time. But it does not lessen the plight of many of our neighbors in the world.

I think this is a healthy concept of national security. Security must be mutual or it does not exist. We have had the good fortune to survive our own revolution and to have had almost 200 years to reap its benefits. With the boundaries of so many other parts of the world still changing—or, as in Africa, still forming—we must develop a sensitive capacity to deal with revolutionary thrusts which will be with us long after, as we may hope, the thrust of international communism will have lost its drive.

The mutual security funds asked by the President total \$3.9 billion. This works out, as it affects the taxpayers you represent, at about 5 percent of our national budget and less than 1 percent of the national production of our country for the coming year. In my considered opinion, these mutual security funds will contribute as much to the achievement of the great objectives of our national life as comparable expenditures for any other activity of our Government.

Our allies, as well as friends in less developed nations, look to us for leadership and for reassurance that their trust in us is justified. If I were asked to summarize what this program does for us I would say that militarily it supplies the shield; politically it promotes freedom and stability; economically it improves conditions of life; psychologically it displays our determination to

continue a role of leadership in the fight for free-world objectives. For small nations, some of them half a world away bordering on the Communist power complex, this tangible proof of our concern for their independence and welfare is of vital consequence. Above all, the mutual security program identifies America with the aims and aspirations of nations seeking freedom, equality, and better conditions of life.

STATEMENT BY UNDER SECRETARY DILLON, MARCH 17

Press release 193 dated March 17

I am glad to be with you once again as you begin your consideration of the mutual security program for fiscal year 1960.

We propose, subject to your approval, to proceed this year in much the same fashion as before. You have already heard the testimony of the Acting Secretary of State, and other witnesses to follow will endeavor as fully and frankly as possible to provide the committee with all of the information it believes necessary to enable it to reach its decisions on this program.

I propose to speak briefly on (1) the presentation materials which have been prepared and the testimony which is planned, (2) the relatively few changes in legislation which are proposed, (3) the amounts proposed to be authorized for the various categories of aid (on which I will elaborate in executive session), (4) the administration of the program, (5) some related matters of significance, and (6) the overall importance of the program to the United States.

I. The Presentation

The presentation materials follow closely the pattern of last year. You have, as has each Member of Congress, the unclassified book which describes the program proposed in considerable detail. You also have the more elaborate and detailed presentation books which are before you. There are seven volumes this year rather than six, an additional one having been added to give full information on the Development Loan Fund after its first full year of operation. While it has been necessary, as heretofore, to classify some of the material in these volumes, every effort has been made to keep such classification to a minimum particularly in the *World Wide Summary State-*

ments volume. The DLF volume is wholly unclassified. Classified sections are indicated by shading as was the case last year.

The *World Wide Summary* volume is a comprehensive description of the entire program. We have endeavored to improve it this year so that it can serve adequately as a description of the entire program except when very detailed information on individual countries and programs may be desired. This book is our answer to those of you who expressed a desire last year for a simplification of our presentation books. This year it contains additional material describing in some detail the methods of programming employed. Subject to the committee's approval we will present testimony to show how these methods have been applied in actual programs. Another new feature is that under "Defense Support" and "Special Assistance" we cite for each country receiving such aid the specific reasons giving rise to the need for aid. These concise statements are of course fully amplified in the regional volumes. Following the testimony of regional witnesses, we would appreciate an opportunity to provide a final recapitulation of the programs proposed under each category of aid.

Mr. Philander P. Claxton, Deputy Assistant Secretary of State for Congressional Relations, who is here with me, is representing me in coordinating the executive branch presentation and will be available to assist you throughout your deliberations.

II. The Legislative Changes Proposed

The legislation proposed this year involves a minimum of new provisions. I will touch briefly on four proposed amendments to the basic Mutual Security Act of 1954 and on two new provisions.

First, a new section 401 is added which declares the United States policy of support for the United Nations Emergency Force (UNEF) and authorizes the use during fiscal year 1960 of special assistance funds for voluntary contributions to the budget of UNEF. This new section is primarily intended to give statutory emphasis to the importance the United States attaches to the activities of UNEF.

Second, section 413(b) (4), which relates to the investment guarantee program, is amended by adding to the enumerated risks which may be

insured against under the program the risks of revolution, insurrection, or civil strife arising in connection with war, revolution, or insurrection. The ceiling on the face value of guarantees which may be issued is also increased from \$500 million to \$1 billion. This amendment expands the investment guarantee program to cover risks which have become of particular concern to United States firms abroad and permits the executive branch to meet the accelerated demands for guarantees without any increase in new obligational authority.

Third, section 505(b), which relates to loan assistance and sales, is amended by deleting the present requirement that amounts received in repayment of loans made under the Mutual Security Act of 1954, other than by the Development Loan Fund, shall be held by the Treasury to be used for such purposes as may be authorized from time to time by the Congress. It is proposed instead that (1) loan repayments received in dollars be deposited into miscellaneous receipts of the Treasury; (2) that loan repayments received in foreign currencies may be sold by the Treasury to U.S. Government agencies for payment of their obligations abroad and the dollars received from such agencies in reimbursement be deposited into miscellaneous receipts; and (3) that those foreign currency repayments which are in excess of the amounts needed by the Treasury from time to time for sale to U.S. Government agencies for the payment of their obligations abroad shall be credited to the Development Loan Fund. Repayments under these loans begin in fiscal year 1960 with a total of approximately \$20 million. These repayments will increase in succeeding years, and it is important that we now provide for their orderly use.

Fourth, section 527(b), which relates to the employment of personnel, is amended to permit an increase of 15 in the number of personnel who may be employed in the United States on the mutual security program, without regard to the provisions of the Classification Act of 1949, at rates of compensation higher than those provided for grade 15 of the general schedule of the Classification Act of 1949 but not in excess of the highest rate provided for grades in such general schedule. This amendment is specifically designed to give more opportunity to the Under Secretary of State for Economic Affairs to strengthen

the coordination, administration, and execution of the entire mutual security program.

The first proposal for language which does not amend the basic Mutual Security Act of 1954 is to express the recognition by the Congress of the harmful and deterring effects of diseases and other health deficiencies in underdeveloped areas and of the need for international efforts to combat them. It would provide that the Congress affirm that it is the policy of the United States to accelerate its efforts to encourage and support international cooperation in programs to conquer diseases and other health deficiencies. This provision is designed to reflect the growing concern of the United States in health problems of the underdeveloped areas and to express a firm intention to quicken our efforts to support international health programs. These efforts will of course continue to be carefully coordinated with other elements of our overall program furthering the basic objectives sought by the United States.

The second provision which would not amend the basic legislation authorizes appropriations from time to time to the Department of State for payment of the U.S. share of expenses of the Colombo Plan Council for Technical Cooperation, which the United States joined early this year.

III. Aid Proposal for Fiscal Year 1960

The legislation also proposes, of course, new authorizations for appropriations. I believe the committee will be interested in a brief review of these figures, which I will amplify in some detail in executive session. We are using the same categories of aid and the same definitions for them as we used last year.

1. Military Assistance

Last year we requested an appropriation of \$1.8 billion. Congress appropriated \$1.515 billion. Expenditures during fiscal year 1959 are estimated at \$2.4 billion. Our ability to deliver this greater volume of assistance arose, of course, from the existence of a pipeline of orders placed from prior year appropriations. That pipeline, however, which has steadily decreased from a high of \$8.5 billion in 1953, will be reduced to approximately \$2.6 billion by the end of the fiscal year. This means that there will necessarily be a much closer relation hereafter between the annual amounts appropriated for military assistance and

the annual value of deliveries and expenditures. This bill proposes an appropriation of \$1.6 billion, a figure which will require a substantial reduction in future deliveries. Expenditures for next year are estimated at \$1.85 billion, a reduction of about 25 percent from the fiscal year 1959 total. Our request was approved by the President as being an irreducible minimum. It was specifically pointed out in the President's budget message² that these proposals should be considered in the light of the findings of the Draper Committee.³ I will refer to these findings again.

2. Defense Support

Last year we requested an appropriation of \$835 million for essential support requirements of 12 nations⁴ carrying heavy military burdens. Congress appropriated \$750 million. Despite every effort at economy, programs presently approved total \$787.5 million and there is every indication that there will have to be some additions to this total before the close of the fiscal year. This has required a considerable use of contingency funds. For fiscal year 1960 we are requesting again \$835 million for the same 12 countries.

3. Special Assistance

The request made in fiscal year 1959 was for an appropriation of \$212 million. Congress appropriated \$200 million. We presently anticipate that over \$269 million will be obligated for this category of aid during this fiscal year, again involving the use of substantial contingency funds.

The marked upward adjustment that had to be made in this category of aid reflects the necessity of rapid and flexible responses to political and economic developments which cannot be clearly foreseen and the great value of a contingency fund which enables such adjustments to be made without undue delays.

For fiscal year 1960 we are proposing special assistance in the amount of \$272 million. As compared to last year's request this reflects an increase of \$33.5 million in country programs. In addition, an increase of \$10 million is required for the peak year of the malaria eradication program if

the program is to be successful. We are proposing to spend \$2 million more for aid to American-sponsored schools than that being used this year for the initiation of that program. We are also proposing some new programs under special assistance—\$5 million for initiating preliminary work on a worldwide program for community water development; \$1 million for further medical research through the World Health Organization; \$5 million for a trial program to provide greater incentives for foreign and local private investment; and \$3.5 million as a contribution to the cost of UNEF.

4. Technical Cooperation

Congress appropriated \$172 million for technical cooperation last year. This included \$8 million suggested by this committee which has enabled us to set in motion improvements in our training procedures. For fiscal year 1960 an increase to \$211 million is proposed. This increase reflects expansion of technical assistance in all underdeveloped areas. We propose an increase of 43 percent in the emerging African area; an increase of about 20 percent in the Near East and South Asia; an increase of about 13 percent in the Far East and of 25 percent in Latin America. Finally, an increase of \$10 million in our contribution to the United Nations technical assistance program and the Special Fund associated with it is also projected to match anticipated increasing contributions from other countries.

5. Other Programs

There are very few material changes in the miscellaneous programs covered under this category. Congress appropriated \$106 million in fiscal year 1959, the full amount requested, and is being asked to provide \$112 million for fiscal year 1960. A substantial part of this slight increase is required to cover pay increases authorized in other legislation.

6. Contingency Fund

Congress was asked to provide \$200 million for fiscal year 1959 and appropriated \$155 million. We have so far used \$106 million of these funds to meet the needs referred to earlier. While we have clear and present need for all of and more than the balance to meet specific requirements, we have been forced to defer these allocations until the end of the fiscal year in order to preserve a minimum

² For excerpts, see *ibid.*, Feb. 9, 1959, p. 198.

³ For background, see *ibid.*, Dec. 15, 1958, p. 954, and Feb. 9, 1959, p. 197.

⁴ Cambodia, Republic of China, Greece, Iran, Republic of Korea, Laos, Pakistan, Philippines, Spain, Thailand, Turkey, and Viet-Nam.

capability to meet unforeseen crises. Understandably, this has seriously hampered orderly administration. For fiscal year 1960 we are asking again that \$200 million be provided. In my view this is a minimum figure, all of which is vitally needed to provide the U.S. with the capability to respond effectively to situations as they develop.

The sharply diminished military pipeline results in a considerable loss of flexibility. It was formerly feasible to use the President's authority to transfer funds from the military assistance account to meet higher priority emergency requirements, because the large pipeline enabled adjustments in military programs to be made without too great difficulty. In fiscal year 1960 such transfers would involve the disruption of current military programs. As a result the President's transfer authority has become much less meaningful. The contingency fund will hereafter provide our only really useful margin of flexibility.

7. Development Loan Fund

We asked for an appropriation last year of \$625 million and \$400 million was provided. These funds and those available under previous appropriations have been for all practical purposes exhausted, and a request for a \$225 million supplemental appropriation is now under congressional consideration so as to allow the Development Loan Fund to continue operating on a reduced scale until fiscal year 1960 funds become available. A detailed description of the uses we have made of the \$700 million so far appropriated is set forth in the DLF presentation book. We are asking for \$700 million in fiscal year 1960. This does not fully meet the need for assistance in development as reflected in the \$1.5 billion of applications still on hand. It will, however, enable the DLF to proceed at the same rate of lending which it has attained during its first year of operations and to meet on a minimum basis the most pressing needs for economic development.

IV. The Administration of the Program

I am well aware of the general concern which has been expressed regarding the effectiveness of the administration of this program. I have taken particular note of the recent interim report of this group's Subcommittee for Review of the Mutual Security Program. This subcommittee has al-

ready had extensive testimony from the Department of Defense. Specific responses to the points made in the report regarding economic assistance will be forthcoming from Mr. [Leonard J.] Saccio [Deputy Director of ICA] on behalf of ICA. However, I have some general observations to make.

No one can deny, nor is there any desire to deny, that in a program of these dimensions and complexities mistakes have been made. I am certain, however, that such mistakes are the exception rather than the rule and that their incidence is decreasing. It is impossible to achieve perfection. Perfection is no more possible in this program than in any other activity conducted by human beings. We must also realize that it is normal for our errors to be publicized and for our satisfactory performances to be taken for granted.

I should also like to point out that, in a program dealing with rapidly evolving political, military, and economic situations, it is frequently necessary to make rapid decisions. The validity of such decisions must be evaluated against the circumstances under which they take place and in the light of the objectives being pursued. What is feasible in the way of procedures in a placid, stable situation in a highly developed country is not always feasible in the opposite kind of situation. I do not say that our performance is without error, but I do believe that much that has been described as error deserves evaluation of the sort suggested.

Of course, the fact that errors do occur and that this is natural is no justification for not making every effort to prevent them. Such efforts are a constant preoccupation of those charged with administrative responsibilities for these programs. I can assure you that every one of us is sincerely endeavoring to effect improvements in planning, programing, and execution and will welcome all suggestions as to ways and means of achieving further improvement.

I spoke last year of the efforts being made to effect a closer coordination of the program plans and operations into the framework of our foreign policy. This has been substantially accomplished through the transfer of coordinating authority from the Director of ICA to the Under Secretary of State for Economic Affairs. During the year ICA has been more closely integrated with other parts of the Department while retaining its sepa-

rate organization and administration. The authorities vested in the Secretary of State under the Mutual Security Act which were formerly delegated by him to the Director of ICA have recently been delegated to the Under Secretary of State for Economic Affairs, who is empowered to redelegate such of these authorities as he deems appropriate to the Director of ICA.

I am also convinced after a year of operations under the new arrangements that my own staff must be substantially strengthened if maximum effectiveness in coordination is to be achieved. Mr. John O. Bell, who has succeeded Mr. Robert G. Barnes as my Special Assistant for Mutual Security Coordination, is charged with effecting the necessary improvements. The increase in the authorization for excepted positions which I mentioned earlier is an essential element in this effort.

I do believe that over the past year we have succeeded in improving our processes materially. The improved programming procedures are described in the *World Wide Summary* volume. They provide solid assurance that program concepts are being subjected to critical analysis and justification before being adopted. Nevertheless, we still need to do more in this area, and I hope we will be successful in doing so over the next several months. However, I can assure you that each of these programs, military and nonmilitary, is now subject to my programming guidance. Each is subject to my review and approval. As a result there is a conscientious effort to assure consistency and coordination of the various elements of the program so as to promote our national security policy.

On the operational side, as other witnesses will point out, the pipelines are being rapidly reduced and the process of execution is being accelerated. Obligations of funds in ICA, for example, are running well ahead of last year. As of February 28, cumulative obligations of \$725 million had been made, amounting to 58 percent of the year's programs, which compares with \$590 million or 48 percent as of the same date a year ago. ICA programs were approved in large measure substantially earlier in the year than heretofore. In conjunction with the Department of Defense we are currently engaged in a major effort to effect improvements in the military assistance program process. I hope that there will soon be substantial progress to report.

While effectiveness of operations can and should be measured in terms of efficiency of planning and execution, the critical question is of course whether or not the programs are attaining or contributing effectively to the attainment of the foreign policy objectives toward which they are directed. On this score I believe we have no apologies to make.

V. Some Related Matters

I would like now to touch upon a few matters which I am sure are of interest to the committee but which may not be dealt with quite so directly in the testimony which will follow.

A. *The Draper Group*

First, as the committee is aware, the President is considering the preliminary findings of the Draper group and will make such further recommendations based on those findings as he deems appropriate. The group's interim report, which is being submitted to the President today [March 17], indicates quite clearly that in its judgment the program which is being proposed to you is not excessive either in its military or economic components but, if anything, is a smaller program than is desirable from the point of view of our national interests.

B. *Separation of Military Assistance*

It will be recalled that this committee suggested last year that the executive branch should consider further the question of a separation of military and economic assistance programs. In view of the decision reached last year by the Congress to retain these various forms of assistance within the mutual security bill, and the studies now under way in the Draper Committee, we are not proposing any change at this time but will reexamine this question in the light of such recommendations as may be contained in the final report of the Draper group.

C. *The Private Sector*

An amendment last year to the Mutual Security Act called for a study by the executive branch of the ways and means in which the role of the private sector of the national economy could be more effectively utilized and protected in carrying out the purposes of the act. In response to this request the Department of State organized a study

group headed by Mr. Ralph Straus.⁵ This group is in the final stages of editing its report, which will be made available to the committee in the near future. I have had an opportunity to review preliminary drafts and have noted that, with the exception of certain suggested revisions in tax legislation, the great majority of its recommendations call for procedural and policy changes and do not require new legislation.

We are, as I am sure the committee is aware, clearly interested in obtaining the greatest possible participation by private capital in the development of emerging areas of the world. We will continue to exert every effort in this direction. However, I would be less than candid if I did not point out that basic conditions in many less developed countries, such as the lack of political stability, of adequate government services and properly trained personnel, of basic facilities of power and transportation, of low productivity and of limited markets, as well as chronic balance-of-payments problems, are basic impediments to private investment. The mutual security program is one means of moving toward the reduction or elimination of these impediments. Until conditions attractive to private investment are created, we cannot expect to depend on it as an answer to the problem.

D. Effect on U.S. Economy

We are still studying, as the Congress requested, the effect of the mutual security program on the economy of the United States. A report will be made to this committee during its consideration of this bill. In my own view it is clear that this program has a highly beneficial impact. Foremost is the fact that, unless we are able to achieve the basic national security objectives which the mutual security program is designed to help attain, it will be impossible to maintain our own economic health and military strength. It contributes to that stability and growth which is essential to assure ready access to the essential raw materials needed by our industries. It increases the ability of other countries to buy our goods. Finally, the program results in immediate employment and production in the United States. Figures show that, under this program in

⁵ For an announcement of Mr. Straus' appointment and text of the amendment, see BULLETIN of Nov. 3, 1958, p. 716.

fiscal year 1958, 75.4 percent of all funds were directly expended in this country. Dollars spent abroad also benefit the United States economy by making it possible for the countries receiving these funds to purchase more goods from us. A responsible estimate for fiscal year 1957 was that 530,000 people in the United States were employed on an average full-time basis as a result of the mutual security program.

E. Section 402

I would like to briefly mention some problems we are having with section 402 of the act, which provides that not less than \$175 million must be used to finance the export and sale for foreign currencies of surplus agricultural commodities or products. While we have been able to comply with this requirement in the past and will endeavor to do so in the future if it is continued in the legislation, I must point out that it is becoming increasingly difficult to do so as the production of agricultural products increases in countries which we are assisting and as the currencies of Western European countries become freely convertible, thereby diminishing the incentive for such countries to purchase agricultural commodities under section 402 and then permit the use of the sales proceeds for purchase of goods required in the underdeveloped areas.

VI. The Importance of the Program

The purposes of this program are simple, straightforward, and clear. We can no more live unscathed in a community of nations if it is diseased, poverty-stricken, and unstable than we could live unscathed in our local communities under such conditions. We are, must be, and want to be concerned with the welfare of our fellow human beings. Our security is not just related to the situation in other nations; it is dependent on the assistance of allies. Our needs for allied military forces, bases, strategic resources, and productive capacity are real and inescapable.

The mutual security program does not in itself solve all of our problems, nor is it intended to. But it *is* an indispensable element for their solution.

Gentlemen, our cause today is none other than the preservation of human liberty on this planet. Three times in this century Americans have poured out their blood that freedom might sur-

vive. Today we face the greatest and ultimate challenge. It is an all-pervading challenge—military, economic, and psychological. It is a long-term challenge that makes heavy demands on our staying powers. But with the growing interdependence of the peoples of the world it presents us also with a glowing promise for the future. For if we successfully pass this test and turn back the worldwide assault of international communism on men's minds, we can foresee the dawn of a new era when all mankind will work together in liberty and freedom to realize the untold benefits which the miracles of science are bringing within our reach. Failure in this contest is unthinkable. Our weapon in the fight is our faith in the ultimate victory of freedom. But faith alone is not enough. Faith must be translated into action if it is to have any meaning. That action is the mutual security program. Over the coming weeks we will be presenting to you a balanced program of mutual security which has been developed over months of painstaking effort. It is your right and duty to examine this program closely to insure that it is at the same time adequate and not extravagant. We welcome a searching examination. But we hope that during your detailed study you will not lose sight of the basic fact that for the peoples of the free world the mutual security program is above all the measure of the determination of the American people to stand up and be counted in the battle for freedom and progress. As such, it is vital to our national security, to our very existence as a free people.

**STATEMENT BY SECRETARY McELROY,
MARCH 18**

I have been given a number of opportunities to appear before committees of Congress to express my views pertaining to the national defense. None of them have I welcomed more than this—because of my strong feelings regarding the importance of the subject this committee now has under consideration.

The Acting Secretary of State has already testified with respect to the important contribution the mutual security program makes to the furtherance of United States foreign policy objectives. My own remarks will, therefore, be directed to the military assistance program, and specifically to its essentiality as an integral part

of our own national defense. As you know, the executive branch is requesting new obligational authority in the amount of \$1.6 billion for this program in fiscal year 1960.

There can be no question about the objective of our defense program. It is to maintain a military position of such strength that, first, no nation will attack us because he will know that we can inflict unacceptable damage on him in return and, second, local situations of tension can be prevented from breaking into war or can be contained if military conflict does begin.

This means that we must have military strength not only on this continent but in the whole periphery of the free world where aggression is apt to occur. It has been many years since we could regard our frontier as the coastline of this country. We have long recognized that the advance of international communism anywhere weakens the security not only of the free world but of the United States itself. Aggression must be stopped. Our defense is tied inevitably to the defense of the farflung frontiers of the free world. We can expect one probing action after another in which the Soviets or the Communist Chinese test our willingness and ability to resist. If the free world cannot stand up firmly to these probes when they are initiated, we may well be faced with a major conflict as the Communists, pressing ahead with their win-by-threat policy, make it imperative that at some point we meet the issue squarely.

Concept of Military Assistance

It is most unlikely that the United States alone could hold all these varied fronts dispersed widely around the world. The concept of a strength created and maintained by joining the capabilities of ourselves and our allies is thus basic to our whole security program. If our allies do not remain strong, our whole security concept will need radical revision and the burden placed on our own resources will be immeasurably greater.

We are most fortunate in the fact that, in most of the areas where international communism might seek expansion, there are countries which are friendly to us and look to us for leadership. These nations have the will to resist, and they have the manpower. In many cases they do not have the resources. Without assistance they cannot support military establishments adequate to

defend themselves. If we do not buttress them with the resources they need, and help them with the training necessary to prepare them for modern warfare, they will succumb to communism either through military action or through the kind of civil disorder and deterioration on which communism thrives.

We cannot let this happen. Each Communist success is a new discouragement to those who would cast their lot our way, and a new source of vitality and momentum for the aggressors.

In my judgment it would be shortsighted indeed if this nation spent over \$40 billion on its own military establishment and then declined to spend the much smaller sums needed to maintain and modernize the forces of our allies, which are essential to our whole defensive concept and without which our own military expenditures would have to be enormously increased.

I recently was privileged, as I am sure several of the members of this committee have been, to see at first hand the operation of our military assistance program in a number of countries in the Far East and Southeast Asia. I wish every Member of Congress could visit countries like south Korea and see what can be done when the United States supplies its know-how and resources to a nation determined to put them to good use. This is an active front; guns are facing each other across a hot boundary line; troops in forward dugout positions are on continuous 24-hour alert. If the south Korean forces which join our own and other United Nations units in holding this front were not well trained and well supplied, we would either have to throw in far larger forces of our own or move out with the knowledge that south Korea would fall as another victim to Communist aggression.

A dramatic illustration of our program at work was given at Quemoy where Nationalist Chinese engaged Communist Chinese aircraft and shot them down at a ratio of 8 to 1. They used American equipment and American training—both were essential. If the Nationalist Chinese had not been ready to defend themselves, either Quemoy would have been lost or we would have found ourselves engaged in war with the aggressing Communists.

Five years ago south Viet-Nam was demoralized from the effects of a bitter war and hardly had the strength to provide even a minimum amount of its own protection. Today, with their own cour-

age and energy, together with our assistance, the situation has improved tremendously. They are now able to maintain civil order at a time of possible future crisis; and while it could not, of course, stand up against an attack backed by the Sino-Soviet forces, it could defend itself against an invading neighbor and hold the line long enough for the Western World to come to its aid.

A prime example of the value of our mutual assistance program, of course, is the role it has played in the development of NATO defenses. It is no exaggeration to say that the fact that there has been no aggression in Europe since NATO was formed in 1949 is due primarily to the strengthened military posture and sense of collective security engendered by the military assistance program. The stanch stand of our NATO allies with us on the Berlin situation over the past 3 months exemplifies NATO's cohesion and solidarity.

There are many other examples. They add up to a most impressive supplement to the total forces defending the free world.

Some measure of the magnitude is gained from noting that the ground forces of our allies comprise today over 5 million men; naval forces—2,500 combat vessels; and air forces—about 30,000 aircraft, of which 14,000 are jet. One can see their importance and the problem we would face if we had to meet these military requirements with our own forces.

Network of Overseas Bases

I have emphasized the contributions which our allies make to the collective security—and therefore to our own security—in the form of military personnel and equipment. I could just as well have emphasized the fact that without stanch and stable friends overseas we would not have the network of overseas bases which is so vital to our own military operations. Our Strategic Air Command is considerably strengthened by its ability to operate from advanced overseas bases. The operations of our Navy are greatly helped by being able to use overseas facilities. Our Army can respond with far more dispatch to such situations as that in Lebanon by having advanced staging areas from which to operate.

Critics of the program point to instances of inefficiencies or examples of money being spent unwisely. I am afraid it is true that in any opera-

tion of this size and geographical scope, with the pressures of urgent political necessities with which one must deal in various parts of the world, such examples are very apt to exist. We are making a determined effort to reduce or eliminate them, and the conscientious study of the problem made by your Subcommittee for Review of the Mutual Security Program is rendering a constructive service by helping us dig out examples of deficiencies. However, I think it would be a critical mistake to curtail the program because of isolated instances of waste and inefficiency, representing a small percentage of the total. When a city finds shortcomings in a police force, one does not abolish the force; one works to improve it and correct the deficiencies uncovered.

One of the things that has puzzled me since coming to Washington has been the difficulty we encounter in developing a broad understanding of the importance of the mutual security and the military assistance part of the program. When General Twining was asked by a Member of the Congress last spring whether he would recommend restoring all the dollars that had been cut from the mutual security program before consideration of any possible increase in the regular defense budget, he replied forcefully that he thought these dollars could better be spent in the defense of this Nation by putting them into mutual security. The individual chiefs of the military services later authorized the chairman to say that they unequivocally agreed with him. This is impressive testimony.

For each dollar we have spent during 1950-58, the nations receiving military assistance from us have spent more than \$5. In fact, the 1958 effort was at a rate of \$7 for every dollar of military assistance received. These countries are spending this for their own defense, of course; but this defense effort is also supporting our objectives as the leading nation of the free world. It is hard to see how we can possibly get better value for our dollar than by helping these nations stand on their own feet and carry their part of the load.

The record of achievement thus far is one that more than justifies rededication to the principles of military assistance and collective security. All over the world, at points of greatest potential danger, the fighting forces of our partner nations stand ready to take the brunt of initial attack on any scale and to hold the line until reinforcements

can be rushed in to restrain and drive back the aggressor. This international cooperation has, in less than a decade, created a common defense posture in the free world which has successfully checkmated Sino-Soviet aggression and maintained the difficult peace which still prevails. Speaking as one primarily concerned with making certain that our defense is strong enough to meet whatever tests it may face, I strongly urge support of a program which contributes so much to our own national security at so moderate a cost, and which joins the forces of the free world in an effective military alliance committed to the preservation of the peace.

STATEMENT BY GENERAL TWINING, MARCH 18

My appearance before you today to talk about the military assistance program is an opportunity which I welcome.

Far too many of our own American people are not aware of the positive contribution made by the military assistance program in promoting the foreign policy, national security, and the general welfare of the United States.

Let me say here and now that I do not regard this program as a vast boondoggle. This label is a direct slap to our allies and to our own country and a source of comfort to our adversaries. The military assistance program plays a considerable role in insuring the survival of the United States and the free world.

We must, as Americans, also be aware that in free societies the armed forces are not maintained at the expense of the national economy, but rather provide the necessary security which makes national development and national survival possible. Without security there can be no national development—only capitulation.

Today the national survival and continued national development of all countries of the free world depend more than ever upon the collective security arrangements in existence between the allies.

The threat to the free world is not decreasing. Today those who would enslave free men everywhere are embarked upon broad programs in the military, economic, political, and psychological fields, all designed to destroy the free world. These are the cold and brutal facts of life in the world today. I have painted this threat in great

detail to various committees of the Congress. I have repeatedly stated that we can counter this threat and insure the survival of the free world if we do not weaken in our determination to preserve the free-world alliance.

Our free-world alliance is essential to our own national security. The military capabilities of the alliance are developed in a large part through our military assistance program. If this program is weakened or reduced to insignificance, our adversaries will have achieved a major victory without firing a shot.

Benefits of Military Assistance Program

We can look about us in the countries of the free world today and see all too plainly the visible results of our military assistance program. This program has made a major contribution to world peace. In less than 10 years, it has made possible the buildup of allied military strength and the development of a corresponding will to resist aggression. So far, the program has served its purpose as a deterrent to general war.

I would like to give this committee a brief run-down of the benefits which I believe come to the United States as a result of the military assistance program.

First, the free world has a substantial military capability which could not have been achieved without the military assistance program. If there is some alternative program that could be substituted for the military assistance program, I would like to know about it. So would the Joint Chiefs of Staff.

The military assistance program furnishes vital support upon which the effectiveness of our military alliances depend. I have already pointed out that I consider these alliances to be essential to our own national security.

Our military assistance program constitutes an important part of the consideration given in return for the establishment and cooperative use of our overseas system of bases and facilities. The importance of these bases and facilities to us is highlighted by the repeated Soviet attempts to deprive us of them. There can be no better reason for their continued existence.

The military assistance program promotes a

climate of mutual interest, confidence, and reasonable safety essential to the economic growth and progress of the nations of the free world. As Americans, we realize that it is in our best interests to participate heavily in the free-world effort to create a climate of security essential to peace and progress.

Without our military assistance program, the United States would require more men under arms both at home and overseas. If we were to maintain forces sufficient to match the Communist bloc in military strength or resources at points of possible aggression around the world, the cost to the United States would be far in excess of the \$22 billion furnished under the military assistance program and the \$141 billion spent by our allies during the years 1950 to 1958.

We simply do not have the manpower or materials to take on the defense of the entire free world alone. At the same time, I firmly believe that the defense of the free world is inseparably linked to our own defense.

Detering General War and Limiting Local Aggression

Our military assistance program provides the United States and the free world with the military means to cope with cold-war situations and has served in some measure to date to deter limited and general war. The past year has presented a number of sharp challenges. In each, we must attribute a portion of our success in deterring general war and limiting local aggression to our continued efforts under the military assistance program.

If I can leave only one last parting thought with this committee, I would ask that you keep in mind my views that our military assistance program is a vital and integral part of our overall defense posture. The day is past when we can risk going it alone. If a substantial part of the free world falls or slips behind the Iron Curtain, our chances of being able to defend ourselves must dim in proportion. The gauntlet is on the table along with the blue chips. The stakes were never higher than they are today. Any limitations or reductions in the program would virtually eliminate all modernization and force improvement needed to accomplish the military assistance program force objectives.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Calendar of International Conferences and Meetings¹

Adjourned During March 1959

ICAO: Special Meeting on Short-Range Navigational Aids	Montreal	Feb. 10-Mar. 2
U.N. General Assembly: 13th Session (resumed)	New York	Feb. 20-Mar. 13
FAO/ECLA Seminar on Agricultural and Food Price Policies	Santiago	Feb. 23-Mar. 3
ILO Governing Body: 141st Session (and committees)	Geneva	Feb. 23-Mar. 13
ILO Technical Meeting on Problems of Productivity Improvement in Certain Countries.	Bangalore, India	Feb. 25-Mar. 10
GATT: Meeting of Committee II on Expansion of International Trade.	Geneva	Mar. 2-10
UNICEF Executive Board and Program Committee	Geneva	Mar. 2-13
Inter-American Institute of Agricultural Sciences: 4th Meeting of Technical Advisory Council.	Turrialba, Costa Rica	Mar. 9-12
European Civil Aviation Conference: 3d Session	Strasbourg	Mar. 9-21
Pan American Highway Congresses: Technical Committee of Experts on Development of Governmental Highway Agencies.	Lima	Mar. 9-13
UPU Consultative Committee on Postal Studies: 2d Meeting of Administrative Council.	The Hague	Mar. 9-19
U.N. International Commission on Commodity Trade: 7th Session.	New York	Mar. 9-20
U.N. Commission on Status of Women: 13th Session	New York	Mar. 9-27
IAEA Board of Governors: Special Meeting	Vienna	Mar. 10-13
GATT: Meeting of Committee III on Expansion of International Trade.	Geneva	Mar. 11-13
U.N. ECE <i>Ad Hoc</i> Working Party on Gas Problems: 5th Session	Geneva	Mar. 11-13
ILO Asian Advisory Committee: 9th Session	Geneva	Mar. 16-17
GATT Working Party on Association of Yugoslavia	Geneva	Mar. 16-20
U.N. ECE Inland Transport Committee: Working Party on Construction of Vehicles.	Geneva	Mar. 16-20
ICEM: <i>Ad Hoc</i> Meeting of Six Powers	San Francisco	Mar. 17-23
Central American Ministers of Agriculture	San Salvador	Mar. 18-20
U.N. ECE Electric Power Committee	Geneva	Mar. 18-20
U.N. ECE Coal Committee (and working parties)	Geneva	Mar. 23-25

In Session as of March 31, 1959

Political Discussions on Suspension of Nuclear Tests	Geneva	Oct. 31, 1958-
U.N. Trusteeship Council: 23d Session	New York	Jan. 30-
U.N. Commission on Human Rights: 15th Session	New York	Mar. 16-
U.N. Scientific Committee on Effects of Atomic Radiation: 6th Session.	New York	Mar. 23-
U.N. ECAFE/TAA Regional Seminar on Trade Promotion	Tokyo	Mar. 30-
Caribbean Commission: <i>Ad Hoc</i> Committee on Revision of Agreement for Establishment of the Commission.	Trinidad	Mar. 31-

Scheduled April 1 Through June 30, 1959

World Meteorological Organization: 3d Congress	Geneva	Apr. 1-
ITU International Radio Consultative Committee (CCIR): 9th Plenary Assembly.	Los Angeles	Apr. 1-
ICEM Executive Committee: 12th Session	Geneva	Apr. 2-

¹ Prepared in the Office of International Conferences, Mar. 19, 1959. Following is a list of abbreviations: CCIR, Comité consultatif internationale des radio communications; CCITT, Comité consultatif internationale télégraphique et téléphonique; ECAFE, Economic Commission for Asia and the Far East; ECE, Economic Commission for Europe; ECLA, Economic Commission for Latin America; ECOSOC, Economic and Social Council; FAO, Food and Agriculture Organization; GATT, General Agreement on Tariffs and Trade; IAEA, International Atomic Energy Agency; IA-ECOSOC, Inter-American Economic and Social Council; ICAO, International Civil Aviation Organization; ICEM, Intergovernmental Committee for European Migration; ILO, International Labor Organization; ITU, International Telecommunication Union; NATO, North Atlantic Treaty Organization; OAS, Organization of American States; PAHO, Pan American Health Organization; SEATO, Southeast Asia Treaty Organization; TAA, Technical Assistance Administration; U.N., United Nations; UNESCO, United Nations Educational, Scientific and Cultural Organization; UNICEF, United Nations Children's Fund; UPU, Universal Postal Union; WHO, World Health Organization; WMO, World Meteorological Organization.

Calendar of International Conferences and Meetings—Continued

Scheduled April 1 Through June 30, 1959—Continued

Ceremony Commemorating the 10th Anniversary of NATO . . .	Washington	Apr. 2-
NATO Ministerial Council	Washington	Apr. 2-
2d FAO World Fishing Boat Congress	Rome	Apr. 5-
OAS Special Committee To Study New Measures for Economic Development ("Committee of 21").	Buenos Aires	Apr. 6-
GATT Panel on Antidumping and Countervailing Duties	Geneva	Apr. 6-
GATT Panel on Subsidies and State Trading	Geneva	Apr. 6-
IAEA Board of Governors: 11th Session	Vienna	Apr. 7-
FAO European Commission for Control of Foot and Mouth Disease.	Rome	Apr. 7-
ICEM Council: 10th Session	Geneva	Apr. 7-
U.N. Economic and Social Council: 27th Session	México, D.F.	Apr. 7-
SEATO Council: 5th Meeting	Wellington	Apr. 8-
FAO Panel on Agricultural Price Support Measures	Rome	Apr. 9-
FAO: Government Experts on Use of Designations, Definitions, and Standards for Milk and Milk Products.	Rome	Apr. 13-
Caribbean Commission: Conference on the Financing of Agriculture.	Trinidad	Apr. 14-
FAO <i>Ad Hoc</i> Committee on Campaign To Help Free the World From Hunger Year.	Rome	Apr. 15-
ILO Meeting To Establish an Individual Control Book for Drivers and Assistants in Road Transport.	Geneva	Apr. 20-
U.N. Committee on Information From Non-Self-Governing Territories: 10th Session.	New York	Apr. 20-
U.N. Economic Commission for Europe: 14th Session	Geneva	Apr. 20-
U.N. Commission on Narcotic Drugs: Committee on Illicit Traffic .	Geneva	Apr. 22-
ILO Coal Mines Committee: 7th Session	Geneva	Apr. 27-
U.N. Commission on Narcotic Drugs: 14th Session	Geneva	Apr. 27-
U.N. Social Commission: 12th Session	New York	Apr. 27-
ICAO Aeronautical Information Services Division/Aeronautical Maps and Charts Division.	Montreal	Apr. 28-
PAHO Executive Committee: 37th Meeting	Washington	Apr. 28-
WMO Executive Committee: 11th Session	Geneva	Apr. 29-
4th South Pacific Conference	Rabaul, New Britain	Apr. 29-
12th International Cannes Film Festival	Cannes	May 1-
U.N. ECAFE Inland Transport and Communications Committee: Working Party of Telecommunications Experts.	Tokyo	May 4-
U.N. Transport and Communications Commission: 9th Session . .	New York	May 6-
GATT Intersessional Committee	Geneva	May 6-
U.N. ECLA Committee on Trade	Panamá	May 6-
ITU International Telephone and Telegraph Consultative Committee (CCITT): Plan Subcommittee.	Tokyo	May 11-
GATT Contracting Parties: 14th Session	Geneva	May 11-
GATT Committee on Balance-of-Payments Restrictions	Geneva	May 11-
GATT Consultations With European Economic Community on Sugar.	Geneva	May 11-
FAO Cocoa Study Group: Statistical Committee	Rome	May 12-
FAO Technical Meeting on Fishery Cooperatives	Naples	May 12-
12th World Health Assembly	Geneva	May 12-
International Cotton Advisory Committee: 18th Plenary Meeting .	Washington	May 13-
FAO Cocoa Study Group: Executive Committee	Rome	May 13-
FAO International Poplar Commission: 10th Session	Rome	May 13-
FAO International Poplar Congress: 7th Session	Rome	May 13-
South Pacific Commission: 19th Session	Rabaul, New Britain	May 13-
U.N. Economic Commission for Latin America: 8th Session . . .	Panamá	May 13-
4th Inter-American Indian Conference	Guatemala City	May 16-
FAO Group on Grains: 4th Session	Rome	May 18-
U.N. ECOSOC Latin American Seminar on Status of Women . . .	Bogotá	May 18-
UNESCO Administrative Commission	Paris	May 18-
UNESCO External Relations Commission	Paris	May 18-
ITU Administrative Council: 14th Session	Geneva	May 19-
16th World Congress on Veterinary Medicine	Madrid	May 21-
ILO Governing Body: 142d Session (and committees)	Geneva	May 25-
U.N. Trusteeship Council: 24th Session	New York	May 25-
UNESCO Executive Board: 54th Session	Paris	May 25-
WHO Executive Board: 24th Session	Geneva	May
FAO Committee on Commodity Problems: 31st Session	Rome	June 1-
International Commission for Northwest Atlantic Fisheries: 9th Annual Meeting.	Montreal	June 1-
Inter-American Commission of Women: 13th General Assembly .	Washington	June 1-
International Labor Conference: 43d Session	Geneva	June 3-
Customs Cooperation Council: 14th Session	Brussels	June 8-
FAO/UNICEF Joint Policy Committee: 2d Session	Rome	June 8-
Informal Shipping Talks	Washington	June 8-
FAO Council: 30th Session	Rome	June 15-

GATT Group of Experts on Restrictive Business Practices	Geneva	June 15-
Executive Committee of the Program of the U.N. High Commis- sioner for Refugees: 2d Session.	Geneva	June 15-
ICAO Assembly: 12th Session	San Diego	June 16-
South Pacific Research Council: 10th Meeting	Nouméa, New Caledonia	June 17-
International Whaling Commission: 11th Meeting	London	June 22-
9th International Berlin Film Festival	Berlin	June 26-
15th International Dairy Congress	London	June 29-
FAO: 6th Session on Desert Locust Control	Rome	June 29-
GATT Committee on Balance-of-Payments Restrictions	Geneva	June 29-
U.N. Economic and Social Council: 28th Session	Geneva	June 30-
IA-ECOSOC Permanent Technical Committee on Ports: 2d Meeting.	Montevideo	June
Permanent International Commission of Navigation Congresses: Annual Meeting.	Brussels	June
U.N. Special Fund: 2d Session of Governing Council	New York	June
IAEA Board of Governors: 12th Session	Vienna	June or July

Mr. Heinz To Be U.S. Representative to 14th Session of ECE

The Senate on March 11 confirmed Henry J. Heinz II to be the representative of the United States to the 14th session of the Economic Commission for Europe of the Economic and Social Council of the United Nations, which will open at Geneva, Switzerland, on April 20.

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- Economic Development of Under-Developed Countries. Report of the Symposium on the Development of Petroleum Resources of Asia and the Far East. E/3203. January 30, 1959. 64 pp. mimeo.

Trusteeship Council

- United Nations Visiting Mission to Trust Territories In West Africa, 1958. Report on the Trust Territory of the Cameroons Under British Administration. T/1426 and Add. 1. January 20, 1959. 173 pp. mimeo.
- United Nations Visiting Mission to Trust Territories in West Africa, 1958. Report on the Trust Territory of the Cameroons Under French Administration. T/1427. January 23, 1959. 162 pp. mimeo.

¹ Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York 27, N.Y. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

TREATY INFORMATION

Current Actions

MULTILATERAL

Agriculture

Protocol of amendment to convention on the Inter-American Institute of Agricultural Sciences of January 15, 1944 (58 Stat. 1169). Opened for signature at Washington December 1, 1958.²
Signatures: Chile, Colombia, Guatemala, March 18, 1959.

Germany—Allied High Commission

Protocol modifying agreement concerning storage of, access to, and release of information from the archives of the Allied High Commission and connected tripartite agencies of June 30, 1954 (TIAS 3036). Signed at Bonn March 5, 1959, by France, the United Kingdom, and the United States. Entered into force March 5, 1959.

Postal Services

Universal postal convention, with final protocol, annex, regulations of execution, and provisions regarding air-mail and final protocol thereto. Signed at Brussels July 11, 1952. Entered into force July 1, 1953. TIAS 2800.
Ratification deposited: Panama, February 18, 1959.

Trade and Commerce

Procès-verbal extending the validity of the declaration¹ extending the standstill provisions of article XVI:4 of the General Agreement on Tariffs and Trade. Done at Geneva November 22, 1958.
Signatures: Austria, Belgium, Ceylon, Denmark, Finland, Haiti, Indonesia, Luxembourg, Federation of Malaya, Federation of Rhodesia and Nyasaland, and Turkey, November 22, 1958; Italy and Norway, December 1, 1958; Netherlands, December 16, 1958; Federal Republic of Germany, January 13, 1959; United States (with a statement), March 16, 1959.

Whaling

Amendments to paragraph 6(1),² 6(2),² 8(a), and 8(c) of the schedule to the International Whaling Convention of 1946 (TIAS 1849). Adopted at the 10th meeting of the International Whaling Commission, The Hague, June 23–27, 1958.
Entered into force: Paragraphs 8(a) and 8(c), January 29, 1959, except for Japan, Netherlands, Norway,

¹ Not in force.

² Entered into force Oct. 6, 1958.

Union of Soviet Socialist Republics, and United Kingdom.

BILATERAL

Iceland

Agricultural commodities agreement under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (68 Stat. 454; 7 U.S.C. 1701–1709), with memorandum of understanding. Signed at Reykjavik March 3, 1959. Entered into force March 3, 1959.

Israel

Agreement supplementing and amending the agricultural commodities agreement of November 6, 1958 (TIAS 4126). Effected by exchange of notes at Washington March 10, 1959. Entered into force March 10, 1959.

DEPARTMENT AND FOREIGN SERVICE

Change in Consular Districts in Yugoslavia

Department notice dated February 27

Effective March 23, 1959, the District of Dubrovnik is removed from the area of responsibility of the American Consulate General at Zagreb and added to the area of responsibility of the American Consulate at Sarajevo.

The new areas of responsibility are as follows: Sarajevo—the People's Republics of Bosnia-Herzegovina and Montenegro and the District of Dubrovnik; Zagreb—the People's Republics of Slovenia and Croatia (except the District of Dubrovnik).

Designations

Clarence A. Boonstra as Director, Office of East Coast Affairs, Bureau of Inter-American Affairs, effective March 16.

William T. Briggs as Deputy Director, Office of East Coast Affairs, Bureau of Inter-American Affairs, effective March 16.

Ivan B. White as Deputy Assistant Secretary for European Affairs, effective March 18.

Carlos C. Hall as Director, Office of Research and Analysis for American Republics, effective March 23.

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No.	Date	Subject
186	3/16	Herter: House Foreign Affairs Committee.
190	3/16	Cuba credentials (rewrite).
*191	3/16	Cultural exchange (India).
192	3/16	SEATO Council of Ministers meeting.
193	3/17	Dillon: House Foreign Affairs Committee.
*194	3/17	Death of J. Klahr Huddle.
†195	3/17	Organizational changes in ICA.
*196	3/17	Herter: death of Sydney Smith.
†197	3/18	Austrian book on U.S. aid.
198	3/18	DLF loan to China (rewrite).
*199	3/18	Briggs nominated Ambassador to Greece (biographic details).
200	3/18	DLF loan to Malaya (rewrite).
*201	3/19	Strom nominated Ambassador to Bolivia (biographic details).
202	3/19	U.S.–U.S.S.R. motion-picture exchange.
†203	3/19	Arrival of Prime Minister Macmillan.
†204	3/19	Visit of King Hussein of Jordan (rewrite).
*205	3/19	Itinerary of President of Ireland.
†206	3/20	Satterthwaite: "The Role of Labor in African Development."
*207	3/20	Educational exchange (Uruguay).
*208	3/20	Educational exchange (El Salvador).

* Not printed.

† Held for a later issue of the BULLETIN.

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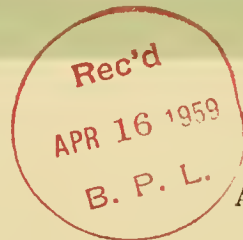
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Bulletin



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THE DEPARTMENT OF STATE

Bulletin

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April 13, 1959

The Department of State BULLETIN, a weekly publication issued by the Public Services Division, Bureau of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

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U.S. Proposes Date and Place for Meeting of Foreign Ministers

Following is an exchange of notes between the United States and the Soviet Union on the German problem.

U.S. NOTE OF MARCH 26¹

Press release 223 dated March 26

The Government of the United States refers to the note of the Government of the U.S.S.R. of March 2, 1959, in response to the United States note of February 16² proposing a conference of the Ministers of Foreign Affairs of France, the U.S.S.R., the United Kingdom and the United States.

The United States Government has consistently favored meetings of interested powers that could provide opportunities for conducting serious discussions of major problems and could be an effective means of reaching agreement on significant subjects. It was for this reason that the United States Government in its note of February 16 proposed a meeting of the Foreign Ministers of France, the U.S.S.R., the United Kingdom and the United States. The United States Government notes with satisfaction the Soviet Government's agreement to such a meeting.

Specifically, the United States Government proposes that a meeting of France, the U.S.S.R., the United Kingdom and the United States at the Foreign Minister level be convened in Geneva on May 11, 1959, to consider questions relating to Germany, including a peace treaty with Germany and the question of Berlin. Naturally, any of the four participating governments should have the opportunity to present its views on any question which it may consider relevant to the problems

under consideration. The purpose of the Foreign Ministers meeting should be to reach positive agreements over as wide a field as possible, and in any case to narrow the differences between the respective points of view and to prepare constructive proposals for consideration by a conference of Heads of Government later in the summer. On this understanding and as soon as developments in the Foreign Ministers meeting justify holding a Summit Conference, the United States Government would be ready to participate in such a conference. The date, place and agenda for such a conference would be proposed by the meeting of Foreign Ministers. The conference of Heads of Government could consider and if possible resolve some wider problems such as those referred to in the Soviet Government's note of March 2 and in previous communications from the United States Government and where necessary establish machinery for further negotiation on these problems.

The United States Government fully recognizes that Poland and Czechoslovakia, like a number of other countries, have a legitimate and direct interest in certain matters which will be discussed in the conference. The possibility of the participation of other countries at a certain stage in negotiations could therefore be contemplated. However, the United States Government believes that the proposed meeting should at least at the outset involve only the four powers responsible for Germany. The United States Government also notes that the Soviet Government agrees with the proposal made in its note of February 16 that German advisers should be invited to the meeting on May 11 and be consulted.

The Government of the United States in proposing a Foreign Ministers meeting on May 11 understands that the Soviet Government would find Geneva a suitable location. The Government

¹ Delivered on Mar. 26 to the Soviet Ministry of Foreign Affairs by the American Embassy at Moscow.

² For text, see BULLETIN of Mar. 9, 1959, p. 333.

Western Foreign Ministers Meet at Washington

Department Statement

Press release 210 dated March 23

The Foreign Ministers of the United Kingdom, France, and the United States, as representatives of the Western powers having the primary responsibility for Germany, and the Foreign Minister of the Federal Republic of Germany will meet in Washington on March 31 and April 1 prior to the spring session of the NATO Council. These consultations will provide an opportunity for a further exchange of views among the four Foreign Ministers in anticipation of a possible meeting of the Foreign Ministers of the United Kingdom, France, the United States, and the Soviet Union.

of the United States will, therefore, inquire of the Government of Switzerland to determine if this place and time would be convenient and also of the Secretary General of the United Nations to ascertain if the facilities of the United Nations in Geneva can be made available.

SOVIET NOTE OF MARCH 2

Unofficial translation

No. 15/OSA

The Government of the Union of Soviet Socialist Republics has familiarized itself with the note of the Government of the United States of America of February 16, 1959 and considers it necessary to declare the following.

The note of the Government of the United States of America does not give an answer to the concrete proposal of the Soviet Union with regard to the conclusion of a German peace treaty and with regard to the convening for this purpose of a peace conference of the states which took part in the war with Germany, as well as with regard to the normalization of the situation in Berlin. For the solution of these questions, which have cardinal significance for the strengthening of peace in Europe and for the future of the German nation, the Government of the United States of America endeavors to substitute statements concerning the desirability of an examination by the four powers "of the German problem in all its aspects" and does not advance on its part any proposals on the essence of the problem.

The very raising of the question of Germany in this note speaks of the lack of desire to consider either the situation in fact which has arisen in Germany or the demands of common sense. If 14 years ago Germany, although divided into zones, remained a country with one social structure, then today two German states exist

which have developed in different directions. The governments of the Western powers, if they in actuality are striving toward a settlement of the German question on a workable basis, cannot close their eyes to this fact, especially since it was they who were the first to create the West German state.

Having taken from the very beginning of the occupation a course toward the division of Germany, the United States of America, England and France at the same time were preparing the rearmament of the West German state created by them. Thus they discarded the Potsdam agreement, imbued with the ideas of the eradication of German militarism from which the peoples of Europe had suffered at the price of incredible sacrifices and losses. As subsequent events have shown, their chief concern was the drawing of Western Germany into their military grouping. The participation of the Federal Republic of Germany in NATO permitted it to start openly the formation of the Bundeswehr and to demand the arming of it with atomic-missile armament. Precisely as the result of the policy of rearmament and encouragement of the militaristic forces of Western Germany, it is again necessary for the European peoples to live under conditions of worry and alarm concerning their future.

Another independent German state—the German Democratic Republic—chose for itself a course of peace and social progress. Here there are no grounds for the revival of militarism and the carrying out of a policy of aggression and revenge. The government of the German Democratic Republic has refrained from carrying out military conscription and the formation of a mass army. The contrast and disconnection between the two German states is deepened still more because of the fact that they belong to opposing military-political groupings of powers and the ties of specific obligations arising from adherence to these groupings. The German Democratic Republic as is known is in the organization of the Warsaw Treaty, which has no other purpose than the strengthening of peace, the reduction of international tension and the cessation of the "cold war", while the Federal Republic of Germany is an active participant in NATO where everything is subordinated to the armaments race, to an endeavor to keep the world in a condition of tension, and to preparation for an aggressive war.

In this way the postwar development of Germany has advanced on the agenda other problems than those which stood before the four powers during the first years after the defeat of Hitler Germany. Now it is impossible to make any step ahead whatever in the German question if it is approached by the old yardstick without accounting for the existence of two independent German states and of the basic differences in the direction of their development. And this situation will not change one iota no matter what the quantity of notes or statements made by the Western powers in order to refute facts which are based on life itself.

The Western powers propose to consider the German question in all its aspects at the same time that they themselves have already destroyed the basis for such consideration. There is already no trace of a joint policy of the four powers with relation to Germany. No one, for instance, can saddle the Soviet Union with responsi-

bility for the fact that the Federal Republic of Germany has entered upon a militaristic course of development. It is generally known that the Soviet Union many times warned the Western powers of this danger for the cause of peace and the unity of Germany which such a course of development of Western Germany has concealed within itself. On the other hand, it is unlikely that anyone would attribute to the Western powers the fact that in the German Democratic Republic the peace-loving democratic forces have conquered and become firmer.

There is still a possibility today for return to the collaboration of the four powers on the important question connected with Germany. The conclusion of a German peace treaty opens up such a possibility. In a peace treaty the German Democratic Republic and Federal Republic of Germany would assume identical obligations which would exclude the possibility of the revival of German militarism, which would secure conditions of peaceful development for both German states and would free European peoples from the oppressive threat of war.

The proposal of the Soviet Government on the conclusion of a peace treaty with Germany has received up to the present moment the full support of the governments of nine states which participated with their armed forces in the war against Hitler Germany. The population of these countries comprises almost a billion individuals. In addition, this proposal has found approval and support in wider circles of public opinion in many other states. Aren't these convincing facts speaking in favor of the conclusion of a peace treaty with Germany in the nearest future?

As to the problem of the unification of Germany, the Soviet Government clearly and definitely stated in its notes of November 27, 1958 and January 10, 1959,³ and also in a number of other documents brought to the attention of the Government of the United States of America, that it considers interference in the affairs of the two German states and their substitution by anybody whatsoever in the solution of the problem of unification impossible and inadmissible. The Germans themselves must and should solve this problem. The only thing that the four powers could undertake in this direction without infringing on the sovereignty of the German Democratic Republic and Federal Republic of Germany is to aid the removal of the current alienation in the relations between both German states and to bring about a rapprochement and agreement between them for the purpose of solving the task of the reunification of Germany. The Soviet Government has expressed readiness to render such aid, supporting in particular the proposal of the Government of the German Democratic Republic about the creation of a German confederation. It would be natural to expect that the Government of the United States of America, which states its adherence to the cause of the reunification of Germany, will manifest a constructive approach to this proposal. Meanwhile up to now such an approach has not been manifested.

The Soviet Government would like also to emphasize that, according to its profound conviction, the conclusion

of a peace treaty with Germany and normalization of the situation in Berlin in current conditions would in themselves be the best means for bringing closer also a solution of the problem of reunification in accordance with the national aspirations of the Germans and with the interests of peace and security of other peoples.

In advancing a proposal for conclusion of a peace treaty with Germany, the Soviet Government proceeds from the need to bring to a conclusion the settlement of questions remaining open since the Second World War and creating complications in relations among states. This can be objected to only by those who do not wish to part with the current unsettled situation, who strive to preserve the soil for dangerous clashes among the states, who wish to keep the world in a state of fever, who are for preparation of war, and not for strengthening of peace.

A peace treaty, if the interested states really strive for it, can be concluded with both German states since now only they speak in the name of the Germany which signed the act of surrender, and a peace treaty ought to fix the existing situation. One must live in a world of illusions to count on changing the social order of any of these states with the aid of external intervention. Is it not clear that any attempt to apply force to the German Democratic Republic and the Federal Republic of Germany would lead to a clash of the two opposing military groupings of which they are participants and would bring down on mankind a new war, a hundred times more serious in its consequences than all previous wars?

Conclusion of a German peace treaty would mean also settlement of the Berlin question. The Soviet Government more than once has called the attention of the Government of the United States of America to the fact that the situation which has emerged in Germany is not normal and represents in itself a serious source of international tension especially in relations among the states of Europe. The Soviet Government stands for the solution of this question on a basis acceptable for all interested parties, with the aim of ensuring confidence and security of the peoples of Europe. Precisely for this reason it advanced the proposal to transform West Berlin into a demilitarized free city, whose independence and necessary business, cultural and other ties with the countries of West and East would be protected by reliable international guarantees. In these guarantees, in the opinion of the Soviet Government, the great powers can take part with all their weight and authority, which already in itself would ensure the effective character of these guarantees and reliably protect the rights and status of a free city of West Berlin. The enlisting of U.N. participation in the guarantees is also entirely possible and responsive to the interests of both the population of a free city and of securing peace. It goes without saying that the Soviet Government is ready to discuss the question about guarantees jointly with other interested states in order to come to a mutually acceptable agreement.

As for the statement contained in the note of the Government of the United States of America about its readiness to apply "all appropriate means" for preserving the occupation of West Berlin, this of course does not change the point of view of the Soviet Government re-

³ For texts, see *ibid.*, Jan. 19, 1959, p. 81, and Mar. 9, 1959, p. 333.

garding the need to solve the Berlin question and does not influence its intentions in this regard. It is hardly necessary to prove to the Government of the United States of America that the parties whom they threaten with the application "of all means" have at their disposal everything necessary to stand up for themselves in a worthy manner and to give a rebuff to any aggression. The Soviet Government would like to emphasize that as an ally of the German Democratic Republic according to the Warsaw Treaty it will completely fulfill its obligations according to this treaty. As is known this same position is taken by all state participants of the Warsaw Treaty who are united in their determination to do everything possible for the preservation and if it will be necessary for the restoration of peace.

How in such a situation must one evaluate the threats voiced in the West to use tanks and aviation for breaking through to Berlin after the German Democratic Republic as a sovereign state with whom a peace treaty has been signed becomes complete master over communications between West Berlin and the Federal Republic of Germany?

If behind these threats there is really hidden the intention to resort to arms, then anyone who decides on this will have to take on himself a heavy responsibility before mankind for the unleashing of a new war. If the initiators of such threats count on conducting a war of nerves and bringing pressure on the Soviet Union, they then must know that such methods in relation to the Soviet state have always ended in failure and will suffer the same failure in the future as well. According to the profound conviction of the Soviet Government now more than ever it is necessary to undertake urgent effective measures in order to avert the dangerous course of events. Therefore it once more returns to its proposal on the holding of a meeting of statesmen at the highest level.

The negotiations of Ministers of Foreign Affairs which are now proposed by the Government of the United States of America are a long road.

If the Heads of Governments have not yet adopted a firm decision in order to build relations among states on the basis of cooperation and in order not to permit anything that would complicate these relations, then can other representatives of the states adopt such decisions which would secure a basic improvement of relations among states? It cannot be doubted that the efforts of such representatives would be directed not so much to aiding rapprochement among states as to pursuit of reasons and motives which guide one or another state in introducing its proposals.

Even the very fact of a meeting of the Heads of Government in the present strained situation undoubtedly would further the normalization of the whole international atmosphere. Can one ignore the truly great historical significance which would have a decision of the Heads of Government participating in the conference that henceforth they will make efforts toward a settlement of all international problems in the interests of peace on the basis of the principles of peaceful coexistence and will not permit anything that would interfere with the

achievement of such noble ends? This alone would already create propitious conditions for the successful settlement of concrete questions engendering tension in international affairs.

Of course, the Heads of Government could consider a wider circle of questions than is proposed by the Government of the United States of America for a conference of Ministers of Foreign Affairs. This especially refers to those questions the lack of solution of which conceals within themselves a threat to the security of peoples and international peace. The Soviet Government proceeds on the basis that the Heads of Government will discuss the proposals introduced by it about the conclusion of a peace treaty with Germany, and also about the adoption of joint measures toward the elimination of the abnormal position which has resulted in connection with the foreign occupation of West Berlin. Of course, decisions agreed at this conference about a peace treaty would have to be submitted to a peace conference, as was proposed by the Soviet Union.

In addition, at the conference of Heads of Government could be discussed questions connected with the safeguarding of European security and disarmament, such as the mutual withdrawal of forces and the creation of an atom-free zone and a zone of disengagement between the armed forces of the Warsaw Pact and NATO organizations, the reduction of the armed forces of the Union of Soviet Socialist Republics, the United States of America, Great Britain and France on the territories of other states, the prohibition of atomic and hydrogen armament and the cessation of its testing, and others. The Soviet Government has at the appropriate time named these questions and they are well known to the Government of the United States of America.

The Soviet Government considers that for successful work in the preparation of a peace treaty with Germany and the decision of questions connected with the safeguarding of European security, it is necessary that there be active participation in this work by the representatives of countries which were subjected to aggression from the side of Hitlerite Germany. Proposals directed to the limiting of the discussion of a peace treaty in the framework of four powers can only call forth difficulties in the achievement of agreed decisions. In view of this, the Soviet Government considers it necessary that at the conference should take part, besides the four powers, also interested countries, like Poland and Czechoslovakia, as states bordering on Germany which became the first victims of Hitlerite aggression. With regard to the participation in the conference of the German Democratic Republic and the Federal Republic of Germany, the Soviet Government considers that at the summit conference in the examination of questions about a peace treaty with Germany and about West Berlin both the German Democratic Republic and the Federal Republic of Germany must be represented. In the West, voices are often heard against a summit conference since, they say, there are no guarantees that this conference will not suffer failure. Of course, if from the very beginning one or another participant has no desire to further coming to an agreement

at such a meeting, then it really can suffer failure. But in such a case any conference, on whatever level it is conducted, will inevitably be doomed to failure.

To secure the success of a summit conference it is necessary that all its participants be guided by a sincere desire to come to agreement and realize that for the sake of securing a lasting peace among peoples it is necessary to renounce attempts to achieve any one-sided advantages in the negotiations.

The Soviet Government adheres to the opinion that a meeting at the highest level has at the present time the greatest chances of achieving positive results. Such authoritative statesmen as the Heads of Government, who possess very great plenary powers and experience, must have their say in order to give a new direction to the development of relations among states. After achieving agreement among themselves on vital international questions, the Heads of Government would be able then to instruct the Ministers of Foreign Affairs to work out future measures for the realization of the joint decisions adopted.

If the governments of the Western powers are not yet ready to take part in a summit conference, then the Soviet Government considers that for an examination of questions concerning the peace treaty with Germany and concerning West Berlin, there could be convoked a conference of the Ministers of Foreign Affairs of the Union of Soviet Socialist Republics, the United States of America, Great Britain, France, Poland, and Czechoslovakia. Besides, the Soviet Government declares its agreement with the proposal of the Governments of the United States of America, Great Britain, and France that at this meeting both German states—the German Democratic Republic and the Federal Republic of Germany—would be represented. Since both these concrete questions had long since matured, the Soviet Government considers it appropriate to set for the work of a meeting of Foreign Ministers a term of not more than two or three months.

As for the question about the time and place of a meeting of Heads of Government, the Soviet Government would consider it possible to convene such a conference in April of this year in Vienna or Geneva, if this is convenient for the Government of the United States of America, and also the governments of the state participants of such a conference, and if, of course, the Government of Austria or Switzerland would be ready to extend hospitality to the participants of such a conference.

If the Government of the United States of America is not ready for a meeting of Heads of Government, then the Soviet Government proposes at the above-noted time and place to convene a conference of Ministers of Foreign Affairs with the above-proposed composition.

The Soviet Government would like to express the hope that its proposal will meet support on the part of the Government of the United States of America, which, together with the Soviet Union and other state participants of the anti-Hitler coalition in the period of the Second World War, made its contribution to the cause of smashing Hitlerite Germany and now with the conclusion of a peace treaty with Germany would further the removal of a military danger on the part of German militarism.

Prime Minister Macmillan Visits Washington

Prime Minister Harold Macmillan of the United Kingdom came to Washington for informal discussions from March 19 to 24. Following is an exchange of greetings between Mr. Macmillan and Vice President Nixon upon the arrival of the Prime Minister on March 19.

Press release 203 dated March 19

Vice President Nixon

Mr. Prime Minister, it is a very great honor and privilege for me to welcome you again to Washington. And, while this is going to be a very busy working trip for you, I can assure you that you will receive a very warm welcome every place that you are here in the very brief few days of this visit.

We have noted the travels on which you have embarked in the past few weeks, and all of us in this country and in this Government appreciate the very dedicated work that you have been doing and are doing in the cause of unity of the free nations and peace for the world. We know too that the conversations that you will have with President Eisenhower and with members of our State Department will contribute to the close understanding and to the unity of purpose which has marked our relationships in the past and which is essential if we are to have peace with freedom in the future.

Prime Minister Macmillan

Mr. Vice President, I am most grateful to you for your warm words of welcome. As you have said, we have done quite a lot of traveling in the last few weeks. Our journeys began with Moscow, and since then the Foreign Secretary and I have been to Paris and to Bonn and yesterday to Ottawa.

We have had very full and friendly discussions in these three capitals of our friends about the international situation in the light of what we learned at Moscow. And now we are here by your good grace and kindness to further conversations with the President and his colleagues.

I hope also to have the opportunity of some talk with the Secretary of State, Mr. Dulles. His indomitable spirit is a great encouragement and inspiration to us all.

When the Foreign Secretary and I were here last year in June,¹ the concept that came out of the talks that we had with the President and Mr. Secretary Dulles was that of the interdependence of the free world. This is a concept which is more than ever valid today when the problems before us are both serious and urgent.

Fortunately, one of the main elements of that interdependence—perhaps I may say the keystone of it—is the partnership between the United States and Great Britain. I believe I can truly say that this partnership has never been closer than today. It is in that spirit that we shall have our talks in the next few days.

I referred just now to the discussions which the Foreign Secretary and I had in Russia. I am persuaded that the Soviet leaders realize that they, like we, have a common interest in avoiding war. But what I think we did achieve was their endorsement of the principle of resolving differences between nations by negotiation, and not by force or unilateral action. If this be true, this is a worthwhile gain. I then, when I was in Russia, defined negotiations in this way: that they should be based on knowledge gained in full discussion and conducted with a sincere desire to reach fair agreements.

To agree to negotiate is not to abandon one's principles; it is to find the true forum to maintain them. What we have now to do with all our allies is to work out a common policy which combines firmness and reasonableness. It is the right mixture of these which will once again provide strength and unity of the free world.

Thank you very much.

United States and Bulgaria Resume Diplomatic Relations

Press release 226 dated March 27

Agreement has been reached between the Governments of the United States and of the People's Republic of Bulgaria for the resumption of diplomatic relations between the two countries, which were suspended in February 1950,² and the reestablishment of their respective Legations at Sofia and Washington. This agreement has been reached as a result of conversations which have

¹ BULLETIN of July 7, 1958, p. 23.

² For background, see BULLETIN of Mar. 6, 1950, pp. 351-356.

taken place since March 4, 1959, between Deputy Assistant Secretary for European Affairs Foy D. Kohler and the Bulgarian Permanent Representative to the United Nations, Ambassador Peter G. Voutov, at New York and Washington. These conversations have successfully overcome the previously existing obstacles to the resumption of normal diplomatic relations reflecting the traditional friendship between the Bulgarian and American peoples.

King Baudouin of Belgium To Visit United States

White House press release dated March 23

The President of the United States announced on March 23 that His Majesty King Baudouin of the Belgians has accepted the President's invitation to visit the United States. His Majesty will be in the United States for a 10-day official visit beginning at Washington on May 11.

Promoting Better Understanding Between the U.S. and Asia

by Deputy Under Secretary Murphy¹

It is a source of great satisfaction to me to have this exceptional opportunity to meet with the members of the Japan-America Society as well as those of the Association for Asian Studies. When Mr. [Francis B.] Sayre [president, Japan-America Society of Washington] suggested that I participate with my friend, Ambassador [Koichiro] Asakai, in today's special meeting, I welcomed it because of the representative membership of both organizations and especially because of their influence and interest in American relations in Asia and the Western Pacific.

I am particularly happy to be associated with Ambassador Asakai because I know of no Asian who is a more intelligent friend of my country than the Ambassador. I know that he devotes his tremendous abilities, his diplomatic skill and

¹ Remarks made before the Japan-America Society of Washington at Washington, D.C., on Mar. 25 (press release 219).

experience to promoting happy and solid relations between Japan and the United States.

And by the same token with your permission I would like to pay tribute to the devotion of Secretary Robertson² in stimulating the mutual interest of the 11 Asian countries, including Japan, in close and harmonious relations with the United States. He has been successful in developing a breadth of understanding and has inspired a mutual confidence which have gone far to avoid conflicts of interest or, when these have unavoidably happened, to facilitate their friendly solution. I share with him a belief in the practical value of the devoted work of the membership of your organizations in promoting a high degree of understanding between our countries in ways which are often beyond the reach of mere officialdom and which are so precious to a fundamental meeting of the minds between peoples.

Apropos of efforts to promote better understanding, it might be timely to state that the American people's desire to know about and understand developments on the mainland of China is thwarted, not by the United States Government but by the Peiping regime. As an exception to our policy against travel by American citizens in areas controlled by the regime which has refused to negotiate a political settlement of the Korean war, in October 1957 we validated the passports of 26 representatives of American news-gathering organizations for travel in Communist China. We have done this in order to facilitate the flow of information to the American people on conditions there. The Chinese Communists, however, have so far refused to admit these newsmen except in one instance, where the man was identified as an agriculturist.

Taiwan and Berlin Issues

Our meeting today coincides with a number of developments in the international field which are of interest to Japan-American relations.

Last September we were suddenly faced by a heavy bombardment from the mainland of the offshore island positions held by the forces of the Republic of China. This abrupt orchestration of military force followed shortly after a visit to Peiping by the Soviet Chairman of the Council of Ministers, Nikita Khrushchev. It was ac-

² Walter S. Robertson, Assistant Secretary of State for Far Eastern Affairs.

companied by a barrage of radio broadcasts from Peiping which left little doubt that it was part and parcel of a campaign designed to drive the Republic of China forces not only from the offshore positions but from Taiwan. Implicit in the broadcasts was the repeated suggestion that United States forces should be driven from the Western Pacific.

Voices then were heard in different world areas expressing the notion that it would be foolhardy to risk war over the insignificant offshore positions because geographically they seemed to form a natural part of the mainland of China, even though they had never been in the possession of the present Peiping regime. Better judgment, however, prevailed, and by steadfast courage and determination the positions remained intact.

What is interesting in this experience, however, is a certain similarity between those critics of a firm stand on the question of resistance to force and aggression as a means of solution of problems and the more recent issue of Berlin. It is true that the issues are not identical. In the Far East problem concerning the offshore islands and Taiwan, the conflict arose between the opposing Chinese elements. The Berlin issue was provoked directly by the Soviet Union as one of the four occupying powers exercising rights and responsibilities of military occupation resulting from military conquest.

But the point of similarity I have in mind is that, when an atmosphere of crisis developed in the first instance by military action provoked by the Communist regime in Peiping, there was a small chorus of hasty reaction to the effect that we should not risk generalized conflict over the insignificant island positions; that it was the part of caution and prudence to yield to this type of forcible aggression in violation of the spirit of the United Nations Charter in the general interest of peace. The implication was that, if the free world yielded on this issue, the crisis would pass and there would be peace in the Western Pacific. This thesis was stoutly asserted by some in the face of the Peiping declarations that their intent and purpose continued to be the conquest of Taiwan.

Likewise, in the case of the Berlin issue, we have heard in these past weeks similar voices, sometimes the same voices, urging that the free world abandon its rights and responsibilities in West Berlin on the theory that it would be foolhardy to risk generalized war over the Berlin issue.

Actually these voices overlook the fact that what is at stake is not only our rights in West Berlin, including peaceful access to it, but also the very freedom of the 2¼ million men, women, and children of West Berlin.

Inherent in these attitudes on both issues—and I am glad that they are by far small minority attitudes—is an assumption that to yield on an issue under such circumstances of application of force or the threat of force where a given issue is described as insignificant or of small importance would be the happy solution; that there would be an end of pressures—a sort of peace-in-our-time idea—and that the world would be able to relax and devote itself to the peaceful pursuit of improved living conditions and the enjoyment of the fruits of our labors.

Unfortunately we have learned, as a result of our experiences since World War II, that this type of easy concession under pressure of intimidation and force does not promote the chances of enduring peace. On the contrary it only encourages further unreasonable demands and leads to further crisis. This is because it is quite clear that the leadership of the international Communist movement is not content with small local gains. These are but steppingstones in a program of larger domination. Thus we know that in the European situation the Soviet objective is not merely the local question of four-power occupation of the City of Berlin or the technical questions of access but the larger question of a Germany subservient to external *diktat*. Thus Mr. Molotov was fond of saying “as goes Germany, so goes Europe.” Even though he may temporarily be absent from the policymaking group in the Soviet leadership, his ideas seem to continue.

Time for Creative Diplomacy

Thus we are faced with another in what is no doubt a series of provocations of critical issues which the free world is called upon to meet. In the present case I think there is cause for a great deal of satisfaction in the steadfast manner in which the West is meeting an exceedingly complex and difficult problem. There is no doubt great wisdom in the efforts of the Western leadership to thoroughly explore the issue in a series of negotiations and consultations which will leave no stone unturned in the quest of a peaceful solution. This is a fine example of courageous states-

manship which is not harnessed to sterile notions of a *status quo* but one in which imagination is at play to progress and to use all the apparatus of negotiation and diplomacy which can be brought to bear in this kind of a situation. It seems to me that this offers the best kind of a guarantee against the free world's becoming engaged in war. War could happen either through miscalculation or a chain of events such as happened before World War I which led to a major conflict for which the countries involved were not prepared. Of course there could always be the possibility of a coldblooded plan for such hostilities, but we exclude this as unthinkable because with present modern instruments of destruction such a purpose would be self-defeating. Therefore it seems to us that this is the time for creative diplomacy, to arrive at the maximum understanding possible in the circumstances based on a certain confidence that neither side regards modern warfare, with its elements of absolute destruction, as a thinkable solution.

Our policy in the free world is based on the principle of interdependence which was pointedly referred to by Prime Minister Macmillan in his statement on arrival at Washington [March 19].³ The principle of interdependence applies in our relations in Asia and the Western Pacific just as it does in Europe. It provides the necessary bulwark which protects the liberty of our people to pursue their destinies and at the same time permits a more equitable share of the staggering burdens which modern defensive requirements impose in this highly competitive world situation. That principle, I am sure, will best serve the mutual interests of both Japan and the United States.

U.S. Expresses Concern at Actions of Chinese Communists in Tibet

Statement by Acting Secretary Herter, March 26

Press release 222 dated March 26

I am deeply shocked at reports seeping out from Tibet about the ruthless suppression of human liberties there and the determined effort by the Chinese Communists to destroy the religion and culture of the people of Tibet.

It has been only 8 years since the Peiping re-

³ See p. 511.

gime agreed to respect Tibet's religious and cultural autonomy. Evidently the Communists have broken that agreement as part of their ruthless drive to eliminate all individuality and human values within their empire. Once again the hypocrisy of the Communists is demonstrated. They constantly charge others with aggression and interference, but when a courageous people within their grasp seeks liberty their answer is ruthless repression.

We are saddened by the suffering of the Tibetan people, and yet we see in their resistance efforts one more heartening example of the indomitable spirit of man.

Department Statement, March 28¹

The order issued by Chou En-lai clearly reveals Peiping's intention to destroy the historical autonomy of the Tibetan people. This is a blatant violation of Peiping's solemn pledge of May 1951 guaranteeing the Tibetans political and religious autonomy.

In place of the legitimate Tibetan Government dissolved by the order the Communists have established direct military rule. As evidence we note that among the five Chinese appointees on the revised administrative control committee is a Deputy Political Commissar of the Red Chinese Army. The Communists' order states that the Panchen Lama will act as Chairman of the new Tibetan regime. The Panchen Lama has never been the primary religious leader of Tibet, and it is clear that the replacement of the Dalai Lama has been effected by foreign intervention without the consent of the Tibetan people. The Panchen Lama was brought up in China and came to Tibet in the wake of the Chinese Red Army.

A significant feature of the Chinese Communist statements this morning [March 28] is the admission that the Tibetan resistance to Chinese Communist rule is widespread and continuing. The statements admit that the Communists have been trying to suppress by force this Tibetan resistance since last May. By their count at least 20,000 Tibetan patriots are in arms against them. They also state that the entire Tibetan Army has joined the resistance movement.

The United States is profoundly sympathetic with the people of Tibet in the face of the barba-

rous intervention of the Chinese Communist imperialists to deprive a proud and brave people of their cherished religious and political autonomy and to pervert their institutions to Communist ends.

President Eisenhower Receives Austrian Book on U.S. Aid

Press release 197 dated March 18

A book dedicated to "the unknown American taxpayers through whose good will millions were given for the reconstruction of the Austrian economy" was presented to President Eisenhower on March 18. Wilfried Platzer, the Austrian Ambassador, presented to the President a copy of *Zehn Jahre ERP in Oesterreich 1948/1958 (Ten Years of the European Recovery Program in Austria 1948/1958)*, which has been published in Vienna.

The 368-page volume reviews the course of Austria's economy since 1945 and cites, with supporting facts and figures, the vital contribution which U.S. assistance made to the reconstruction of the Austrian economy.

Five forewords by five leading Austrian Government officials introduce the book.

"Wherever and however we celebrate the anniversary of Austria's rescue from economic collapse," wrote Federal Chancellor Raab in the first foreword, "we should be mindful of the fact that the means for our reconstruction were contributed by the American taxpayer. . . . To him, America's man in the street, Austria owes its thanks." Vice Chancellor Bruno Pittermann wrote in the preface: "The peoples of Europe, Austria among them, have recognized Marshall plan aid as a life-saving blood transfusion made at a crucial moment of economic decline. We Austrians shall always remember this aid with deep gratitude."

In addition to presenting an overall survey of the financial achievements of Austria during the 10-year period, the book also throws light on the psychological effects of ERP and how it mobilized the psychological energies of the Austrian people and helped them regain their national self-confidence. "None of the political steps which Austria took in the past decade," wrote Austrian Foreign Minister Leopold Figl in his foreword, "would have been possible without the economic

¹ Read to news correspondents on Mar. 28 by Francis W. Tully, Jr., press officer.

help of the United States within the framework of the European Recovery Program. Austria's gratitude has manifested itself in its clear intervention for all peaceful goals and in its maintenance and protection of the dignity of the human individual."

One chapter of the book is entitled "The Hole in the East" and discusses in a candid manner the tight Soviet grip on the economy of the zone of Austria controlled by Russia from 1945 to 1955 and how the Austrian Government was able to solve the problems of this sector by means of U.S. aid funds after the Russians had evacuated their occupation forces.

The book sums up the effects of U.S. assistance in the following passage:

"If one reviews the accomplishments of the European Recovery Program in Austria despite the stringent economic conditions of the year 1958, if one contemplates the great crises of the last 10 years in the economy and the communications of Austria from the viewpoint of its proven ability to resist a crisis in the economy, if one measures the confidence which the Austrian people have in the stability and the capabilities of their economy and its rising standard of living in spite of continued unsettled international conditions, and if one takes into calculation the sound currency, then we come to the inevitable conclusion that the American taxpayer invested his money successfully in the stabilization of Austria."

Germany Makes Prepayment on Debt to U.S. for Postwar Economic Aid

Press release 218 dated March 25

DEPARTMENT ANNOUNCEMENT

The Governments of the United States and the Federal Republic of Germany exchanged notes at Bonn on March 20 under which the Federal Republic agrees to make an advance payment of \$150 million on March 31, 1959, on its indebtedness to the United States for postwar economic assistance totaling approximately \$3 billion. This debt arose as a result of U.S. expenditures in Germany under the Marshall plan and other assistance programs. An agreement for settlement of this indebtedness, signed at London on February 27,

1953,¹ provides for payment to the United States of \$1 billion with interest over a period of 30 years. Semiannual payments of interest beginning July 1, 1953, and of principal installments beginning July 1, 1958, have been made by the Germans under this agreement as they became due.

This advance payment to the United States fulfills a requirement of the 1953 agreement that, in the event of a German prepayment on their corresponding debts to either the British or French Governments, the Federal Republic will, unless the United States agrees otherwise, make proportionate prepayment on its postwar assistance debt to the United States. A prepayment of a comparable percentage of the Federal Republic-United Kingdom debt had already been offered by the Federal Republic as part of the financial assistance given the British balance of payments.

The U.S. note was signed by the Chargé d'Affaires at Bonn, Henry J. Tasca, and the German note by Foreign Minister Heinrich von Brentano.

TEXT OF U.S. NOTE

I have the honor to refer to your Excellency's note of March 20, 1959, which, in agreed translation, reads as follows:

I have the honor to declare that, in accordance with the agreement of February 27, 1953 between the Federal Republic of Germany and the United States of America regarding the settlement of the claim of the United States of America for post-war economic assistance (other than surplus property) to Germany (hereinafter referred to as the agreement), the Federal Government is ready to conclude the following agreement with the Government of the United States of America.

(1) The Federal Government shall make a prepayment of \$150,000,000.00 by March 31, 1959 on the principal sum still outstanding under the agreement.

(2) As regards the prepayment to be made by the German Federal Government under paragraph 1 above, the Government of the United States of America agrees that instead of the semi-annual installments of \$23,790,000.00 as stated in paragraph 2, Article 1 of the agreement, the Federal Government shall in 1961, 1962, 1963, 1964, and 1965 only pay semi-annual installments to the amount required under the agreement as interest on the principal sum still outstanding in those years, and in 1966 shall make additional payments in liquidation of the principal sum only inasmuch as the principal sums owed and due under the agreement have not already been settled by the prepayment under paragraph 1 above.

(3) The new amortization schedule to liquidate the debt arising out of the post-war economic assistance of

¹Treaties and Other International Acts Series 2795.

the United States of America (other than surplus property), a copy of which is attached,² follows from the above.

If the Government of the United States of America agrees with the above provisions, I have the honor to suggest that this note and your Excellency's reply to it should be regarded as an agreement between the two Governments, to enter into force on the day of the receipt of your reply.

I have the honor to inform your Excellency that the Government of the United States of America accepts the foregoing provisions and accordingly agrees that your Excellency's note and this reply shall constitute an agreement between the two Governments.

Accept, Excellency, the renewed assurances of my highest consideration.

Passports and the Communist Conspiracy

by John W. Hanes, Jr.

*Administrator, Bureau of Security and Consular Affairs*¹

Foreign relations used to be something that this country thought it could afford largely to ignore or at least to delegate to the sole attention of a few people who were interested in such things in Washington. The pioneer work which your own organization, comprised of so many leading citizens of this great central city of the United States, has done for nearly 40 years is one very tangible reason why that situation has changed.

Today it is self-evident that our foreign relations are inseparable from our national security. We all recognize that our security, our lives, and our very existence, both as individuals and as a Nation, are effectively threatened from abroad. We all recognize the existence of a powerful and implacable hostile force dedicated to world conquest and to the destruction of all that our Republic and our people stand for. The hostile force is international communism, and its primary manifestation is Soviet Russia. It is also, however, an international conspiracy that extends into every nation in the world, including our own.

These facts have a connection with the U.S. passport. I would like today to tell you why.

A great deal of confusion and misunderstanding has surrounded the matter of Communists and passports. The misunderstanding has related both to the facts and to the issues which are in-

involved, as well as to others which are not but which have been introduced into the controversy. I hope to set the record straight on these facts and issues.

The Supreme Court Decision

In June 1958, in the *Kent-Briehl*² and *Dayton*³ cases, the United States Supreme Court by a majority of five to four handed down decisions holding, in effect, that the Secretary of State does not have the authority to refuse a passport because of membership in the Communist Party or even because he has specifically found that an applicant is going abroad willfully and knowingly to engage in activities which would advance the Communist movement. In both decisions the Court denied the Secretary's right because the Congress has not passed legislation specifically giving the Secretary that right. Contrary to popular belief, the Supreme Court did not hold that it was unconstitutional to deny a passport to a Communist. It did say that any legislation giving the Secretary the right to make such a denial must carefully protect the constitutional rights of citizens.

Since that date the administration has been urgently seeking the passage of such legislation by the Congress. Although the House overwhelmingly passed a bill in the closing days of the last

² Not printed here.

¹ Address made before the Chicago Council on Foreign Relations, Chicago, Ill., on Mar. 24 (press release 213 dated Mar. 23).

² *Kent v. Dulles*, 357 U.S. 116 (1958).

³ *Dayton v. Dulles*, 357 U.S. 144 (1958).

session of Congress, the Senate failed to act; and neither House has taken action as yet in this session.

The Nature of the Communist Conspiracy

In order to understand why this situation is serious it is necessary first to understand the nature and methods of the international Communist conspiracy.

That conspiracy today creates a greater menace to the United States than we have ever faced before. With assets of some 900 million people and 16 once-independent countries that have fallen under its control, it commands frightening resources. The United States is the only power strong enough to maintain the alliance which alone keeps international communism from its goal of world conquest. We would be naive indeed if we believed that its vast and harshly regimented resources were not consistently committed against us in every way which could do us harm, openly and secretly, abroad and at home.

This conspiracy is truly international. It is controlled and directed from Moscow. That part of it which exists in America is no more American than that part which rules in Hungary is Hungarian. Some hard-core supporters of the international Communist movement hold American citizenship, but they are not ordinary American citizens. They voluntarily give service and allegiance to a foreign ideology which promotes the objectives of a foreign power.

Some people feel that, because actual membership in the Communist Party, U.S.A., as of today is small, the American brand of communism therefore offers no threat to our internal security. Many top Communists, of course, are not party members. The Communists themselves do not even agree that the party is weak. Last month William Lorenzo Patterson in an editorial in *The Worker* said: "The prevailing political atmosphere permits increasing activities with lessening dangers of victimization. . . . Let's be bolder." Every day brings us new evidence of the vitality, the farflung operations, and the current danger of the Communist conspiracy in the United States.

We believe that the travel abroad and the possession of a valid American passport by hard-core American Communists constitute a real danger to our country. This is so because all the evidence about Communist organization and

methods shows that the effective functioning of the international party machinery depends in large part on the freedom of its members to travel.

One does not have to be a student of Communist organization to realize the truth of this. Think of your own organizations. Everyone in business today travels almost constantly. You all know that personal contact is an essential part of doing business. The mails, even the telephone, are not an adequate substitute. If this is true of normal business operations, how much more true must it be of the enormously complex worldwide operation of an international conspiracy where virtually everything must also be kept secret. I do not know how one would go about recruiting an espionage agent by mail or by telephone. I doubt if the Communists know either. Such things require personal assessment, personal recruitment, personal contact. In an organization of this sort, to hamper the movements of any members of the organization is a crippling blow and puts the operations of the organization under a most heavy handicap.

Another thing that is important to understand is that the size and complexity of this Communist organization require a very great variety of orders and instructions and information and activities to keep it operating. It has top people in it, and it has little people. It isn't only the top people who are important. Each of the little people in this highly disciplined machine is a cog who has his own place and his own usefulness to the functioning of the whole machine. A relatively unimportant but reliable member of the conspiracy may act as a courier to carry an important message between Communist leaders in different countries. The whole elaborate organization which has surrounded every Communist espionage network which we know about in this country, such as in the Rosenberg case, has demonstrated conclusively the essential role played by the numerous "unimportant" little people in the organization, without whom it would cease to function.

We are by no means helpless against this conspiracy, nor has our Government been inactive or unsuccessful in fighting back. Much of the success we have had is attributable directly to the dedicated fight over many years and many obstacles which has been carried on personally by

Mr. J. Edgar Hoover and by the FBI. Their persistence and their results have inspired others who work in this field and have done much to awaken the American people to a clear and present danger.

Our weapons against Communist subversion have been a closely interlinked set of techniques. They have included penetration of the conspiracy and constant surveillance and, always, to the extent we could achieve it by passport and visa and immigration regulations, the denial of free movement in and out of the country and thereby of easy and satisfactory communications.

The loss of our ability to stop American members of the Communist apparatus from getting passports has blunted the other weapons we have against the Communist conspiracy. For example, our success in preventing the entry of foreign Communist agents and couriers with their financing and instructions from headquarters becomes rather hollow if American members of the apparatus can travel freely out of the country. Similarly, the most successful penetration of the domestic Communist apparatus by agents of the United States is rendered much less useful if the persons watched can evade observation for extended periods by traveling abroad, probably behind the Iron Curtain, where we can hardly expect to know what they are doing.

I have sometimes been asked whether there is really any point in denying passports to American Communists, for after all they can travel legally to Latin America without a passport and from there usually can obtain illegal passage to wherever they wish to go. This is undeniably true. However, it is also a fact that, in the years during which we denied passports to Communists, very few important members of the apparatus took advantage of this roundabout route. One reason may be that, whenever you require an organization to utilize cumbersome and devious and illegal methods of this sort, you stretch that much farther and that much thinner the trail which the conspirators cannot fail to leave. They must utilize more people with more risk of some breakdown in the system and compromise of its secrecy. It is that much more likely that somewhere along the trail those whose job it is to counter the Communist conspiracy will uncover it. Undoubtedly one of the greatest protections we have against the conspiracy is knowledge of what is taking

place within it. Whenever such a trail can be uncovered at any point, it can usually be unraveled fairly easily in both directions, with the result of a considerable increase of our knowledge about the whole conspiracy.

Communist Interest in Passports

Our own Government has long recognized how important American passports are to the Communist conspiracy. Forty years ago, just after the Bolshevik revolution, the Department of State became aware that American Communists were carrying on espionage, propaganda, and revolutionary activities for the Soviet Government and the international Communist movement. The State Department decided in 1920 that passports should be refused to persons who advocated the overthrow of governments by force, who espoused publicly the Soviet cause, or were carriers of Communist correspondence. This policy remained in force until 1931. At no time, I might point out, during this 11 years was the Secretary's discretion in the matter ever challenged in the courts.

The American passport has always been valuable to espionage rings, as you can well imagine. For example, prior to World War II an espionage agent was arrested in Copenhagen and found to have four U.S. passports in his possession. The Communist underground has long maintained workshops devoted to the wholesale forgery and falsification of passports and other documents.

However, genuine American passports were highly prized at intelligence headquarters in Moscow, according to a former chief of Soviet intelligence in Europe. During the Spanish Civil War, Communist leaders assiduously collected the passports of the several thousand Americans in the International Brigade, and the bulk of these passports eventually found their way to Moscow for alteration and possible use by Soviet agents. In fact, so many American passports were collected from this source that, as a countermeasure, the U.S. had to replace every outstanding passport in the world with a new document.

Congress Acts

In 1949, 11 members of the National Board of the Communist Party, U.S.A., were convicted of conspiring to advocate the overthrow of the U.S.

Government by force or violence. In 1950 American Communists were actively supporting the enemy position in the Korean war. Congress, recognizing these dangers, passed the Internal Security Act and found that:

... travel of Communist members, representatives, and agents from country to country facilitates communication and is a prerequisite for the carrying on of activities to further the purposes of the Communist movement.

Congress also said that Americans who participate knowingly in the world Communist movement,

... in effect repudiate their allegiance to the United States, and in effect transfer their allegiance to the foreign country in which is vested the direction and control of the world Communist movement.

Yet allegiance is the touchstone of the right to a passport.

Indeed, the Internal Security Act of 1950 made it a crime to issue passports to members of registered Communist organizations, but this sanction still has no legal effect because protracted litigation in the courts has been able to prevent that part of the act from becoming applicable.

Again, in 1954, Congress made its intention clear when it declared that the Communist Party of the United States,

... although purportedly a political party, is in fact an instrumentality of a conspiracy to overthrow the Government of the United States.

Congress further found that the role of the Communist Party, U.S.A., as the agency of a hostile foreign power renders its existence a "clear, present and continuing danger to the security of the United States."

The Department's Regulations

The Secretary of State, charged by law with the issuing of passports, could hardly have ignored these congressional findings. In 1952 the Department's policy was made a matter of official record when Secretary Acheson issued regulations establishing the criteria for refusing passports to Communists and Communist supporters.⁴

The publication of these regulations triggered a violent attack by the Communists through their press and through the courts, utilizing every device of law and procedure. Their clever campaign

⁴ For a Department statement of May 24, 1952, see *BULLETIN* of June 9, 1952, p. 919.

gained respectability because many sincere persons who have no sympathy whatever with communism became disturbed by the argument that the regulations permitted the Secretary of State arbitrarily to restrict a citizen's rights. These were the regulations which in 1958 the Supreme Court struck down by finding that they had not been specifically authorized by Congress.

I think it might be well to put into perspective exactly how these regulations operated and their practical effects by giving you some statistics on the numbers of Communist supporters refused passports under them and the numbers of Americans who received passports. For the 2 calendar years preceding the Supreme Court's decision, 1956 and 1957, 1,145,000 passports were issued or renewed. During that same period the Passport Office limited the passport privilege of 51 persons because of Communist grounds. Every one of those persons had access to an elaborate and impartial appeal mechanism, and many of them utilized it. From the time this mechanism was set up in 1952 until the Supreme Court's decision in June 1958, the Secretary of State—and it must be the Secretary personally—refused passports to only 15 persons on Communist grounds after full hearings. A number were granted passports after hearings; some others, of course, did not contest the Passport Office's denial, and undoubtedly many active Communists never bothered to apply at all, knowing they would be scrutinized and required to make a sworn statement about Communist Party membership.

I believe it is important to remember these figures when statements are made about the "arbitrary" action of the Department in passport matters. I assure you that these 15 persons who were denied passports by the Secretary did not include a single one who was an ordinary American citizen or whose only activity in behalf of the Communist movement was some vague alleged "beliefs and associations."

History of Passports

American passports, of course, are valuable documents and well worth all this trouble that the Communists have gone through to get them. Our passport requests foreign governments to let the bearer, an American citizen, pass safely and freely and to give him all lawful aid and protection. It invokes for him the full prestige of the

United States Government, and foreign governments usually accept it as meaning that he is a reputable person.

The passport has also become a practical necessity for travel. Today 75 percent of all countries, including most of Latin America, require foreigners, including Americans, to have passports for entry; and we ourselves require Americans to obtain passports for travel outside the Western Hemisphere because we are still in a state of national emergency.

We have made it easy, however, to meet this requirement. We issue nearly three-quarters of a million passports each year, each one valid for a maximum of 4 years. We refuse only an infinitesimal number.

Much of the meaning of even the very few but very important refusals became academic, of course, in June 1958, when the Supreme Court's ruling was handed down. Since then, as we anticipated, there has been a flood of applications from persons with records of Communist affiliations or activities. Some of them had previously been denied passports, but many had never previously applied. Many we know a great deal about, and none of it is good. Others we would like to know more about, but the Department of State is no longer in a position even to inquire, much less investigate, whether any such applicant is a Communist Party member or how dangerous he may be. There is quite a difference, for example, between a known courier and a harmless fellow traveler.

This flood of applications continues today. The Communists are getting passports while they can. Naturally, in all these cases the Department's previous policy has had to give way and passports have been and are being issued to all these people.

Legislation Required

Immediately following the Supreme Court decision, Secretary Dulles sent Congress a draft bill to provide the specific legislative authority which the Court held was lacking. He wrote to the Congress:⁵

I think there can be no doubt in anyone's mind that we are today engaged for survival in a bitter struggle against the International Communist Movement. . . .

⁵ For text of the Secretary's letter, together with a message from the President to the Congress and a statement by Deputy Under Secretary Murphy on the subject of passport legislation, see *ibid.*, Aug. 11, 1958, p. 250.

[This] Movement seeks everywhere to thwart United States foreign policy. It seeks on every front to influence foreign governments and peoples against the United States and eventually by every means, including violence, to encircle the United States and subordinate us to its will. The issuance of United States passports to supporters of that Movement facilitates their travel to and in foreign countries. It clothes them when abroad with all the dignity and protection that our Government affords. Surely, our Government should be in a position to deny passports to such persons.

President Eisenhower urgently endorsed the legislation, saying: "Each day and week that passes without it exposes us to great danger."

What must such legislation do?

Again, the President has expressed it well. He said:

In exercising these necessary limitations on the issuance of passports, the executive branch is greatly concerned with seeing to it that the inherent rights of American citizens are preserved. Any limitations on the right to travel can only be tolerated in terms of overriding requirements of our national security, and must be subject to substantive and procedural guaranties.

Simply stated, what we need is legislative authority which will allow the Secretary of State to deny passports to hard-core supporters of the international Communist movement. We believe such denial should occur under due process of law, including judicial review. We believe that it should apply only to those who knowingly engage in activities—not merely hold beliefs or have associations—but engage in activities in furtherance of the international Communist movement or who are going abroad to engage in such activities.

We do *not* seek statutory passport authority to stifle criticism of this Government or its policies. We do *not* believe that the passport should or can be used to restrict the movement of people who hold political, social, or economic opinions which are not of the orthodox American variety.

We do *not* seek or want authority to deny passports to any whose travel or activity abroad is merely an embarrassment to our country. I believe that the United States is strong enough to survive embarrassment if we must.

Neither do we wish to penalize loyal Americans who at one time, before the nature of the Communist conspiracy became as crystal clear as it is today, may have sympathized with Communist theories or even belonged to Communist organizations in this country.

All we seek, and what I feel we must have, is the capacity to protect ourselves by denying passports to those relatively few hard-core, active Communist supporters who are not ordinary American citizens and whose travel abroad constitutes a *danger* to the United States.

Much has been said concerning the constitutionally protected "right to travel" of an American citizen, Communist or not. I believe we should understand such terms thoroughly, for they are central to this issue.

Our Constitution can and does guarantee the citizen's freedom to travel among the 50 States in the Union. However, it obviously does not and cannot guarantee any right of an American citizen to enter any foreign country. We do not recognize the right of any alien to enter our own country except as we, as an act of sovereignty, grant him permission to do so.

An excellent example of a foreign regime exercising sovereignty in this way is the Chinese Communists. For nearly 2 years now, some 25 American newsmen representing the major foreign newsgathering organizations of this country have had and still have American passports valid for travel to Communist China, but that regime has refused to let them enter.

The constitutionally protected "right to travel" abroad, therefore, is really only the right to leave the United States, and I certainly agree that this right is part of the liberty of which the citizen cannot be deprived without the due process of law of the fifth amendment. However, like any other constitutional right, it is not absolute and may be abridged by society for good and sufficient reasons involving its own protection so long as due process is observed.

In the case of passports "due process" means that the Secretary of State cannot be arbitrary or capricious but must have sound reasons for restricting an individual's right of exit. It means that he must tell the individual the reasons for his action in sufficient detail and under such circumstances that the individual may have an opportunity to show the reasons untrue. Such circumstances should include a full hearing and review within the Department of State and ultimately, of course, the right which now exists to appeal to the courts.

It is interesting to note in this connection that even such citadels of democracy and individual

rights as the United Kingdom, France, and Canada do not provide for any judicial review of passport denials. In those and other free countries passport denials are matters strictly within the jurisdiction of the executive branch, from whose decision there is no appeal.

There is one other essential of passport legislation which is much misunderstood, and that is the necessity for the Government to be able to utilize confidential information as part of the basis of its decision.

I can say bluntly that any legislation concerning denial of passports to Communist supporters would be meaningless and would not achieve any purpose if it prohibited the Government from utilizing confidential information. Almost without exception, dangerous cases in the Communist area involve confidential information and investigative sources. Indeed, the more recent and meaningful our information is, the more likely it is that it has come from current confidential investigative sources within the Communist movement.

The Government has a legitimate and overriding interest in maintaining the security of these investigative sources and methods. If faced with the unpalatable choice between exposing and thereby destroying a valuable and continuing source of information about the activities of the Communist conspiracy and issuing a passport to an individual member of that conspiracy, the Government has no alternative but reluctantly to issue the passport as the lesser evil.

Some people feel that the use of confidential information in such cases means using vague and unsubstantial gossip or allegation that will not stand the light of day. This is nonsense. In the first place, if one is prepared to believe that the Secretary of State, who must personally decide passport appeals cases, would actually base a considered decision upon anything less than substantial and corroborated evidence, then one must believe that our country's security is in far greater danger than from the capricious denial of passports. In the second place, confidential information is almost always a small part of any total case, although usually essential because of the clear proof it provides. Most of every case can be fully and publicly disclosed.

Beyond this, however, we believe, based on a careful review of the Communist cases we have

had in the past, that in every case the Government can provide a fair summary of even the confidential information, both to the applicant and to the courts. Such a fair summary would include all the pertinent reasons for which the passport is denied and would exclude only those details required to protect confidential sources of information.

I would have no objection to any legislation requiring the Government in all cases to provide such a fair summary of the content of any confidential information relied upon.

The Clear and Present Danger

One other thing should be clear. What we are talking about is *not* a criminal proceeding in which someone is being tried or punished for past actions but an administrative process which attempts to predict someone's future course of action, if he travels abroad, and to balance its potential danger to the United States against the desirability of facilitating the travel and giving him protection while he is performing it. These are services which the Government should extend to its citizens, but they are not inviolable rights which the individual can demand no matter what the menace to society may be.

Even having said this, however, much about this subject remains repugnant to Americans. The use of "confidential information" in *any* kind of proceeding, judicial or not—indeed, any sort of governmental restriction, whether on travel or passports or any other activity of the individual—these are things which we will never like and which, I hope, we never accept apathetically.

Here, however, I believe, we must face squarely one fact which is inherent in every aspect of this matter which we have been discussing today. That is, simply stated, that our Nation, although not technically at war, assuredly is not at peace. We face, almost on a daily basis, actual threats to our national security and to our very existence which very clearly are the equal of any threats we have ever faced in peace or war. One need only think of the implications of Berlin today or the countless crises of the past decade to realize that the "cold war" is a contradiction in terms.

This uneasy situation of "not peace, not war" is something entirely new to our experience. It places a tremendous strain upon our governmental and constitutional institutions, for it blurs lines

which had always previously been considered sharp and clear.

It used to be that when our Nation was not at war it was truly at peace. Certain rules obtained and governed our lives in peacetime. These rules were evolved over a century and a half by and for a free people who since the earliest days of their history had been faced by no serious external threat to their freedom or their national existence. Occasionally war came, and there was a clear line of demarcation. War was declared and waged with certain formalities. During wartime certain special rules obtained because the Nation temporarily required the subordination of individual desires to the overall national effort. These special rules, while repugnant, were considered tolerable for the limited duration of the war. When the war was over, other prescribed formalities occurred; the Nation was at peace again, and the special wartime rules, which were usually incompatible with complete constitutional freedom, were dropped.

This sharp demarcation between peace and war does not exist today. International communism has thrown away the rule book. It does not consider itself ever at peace. It is always totally mobilized to advance its aim of world domination. It does not recognize any of the accepted rules of international or legal or human conduct except when, and only for as long as, those rules may suit its purpose.

This situation creates an unprecedented threat both to our liberty and to our very existence. Our response must include a recognition of these changed circumstances or risk the loss of existence and liberty together.

The threat, moreover, will continue to exist, perhaps for many years in the future. This makes it imperative that whatever response we do adopt must be one that we can indefinitely sustain and without endangering the strength or the integrity of our basic and cherished institutions which we are seeking to protect.

I believe that such a response is possible to a free people. I believe that our institutions—our Constitution, our laws, and our form of government—are strong enough and flexible enough to adjust to these changed circumstances, just as they have adjusted to many changes in the past.

I have tried to illustrate what I mean by suggesting, in the limited but important field of passport policy, a procedure which meets these cri-

teria. It meets, I believe, the most pressing requirements of national security. It does so by law and under the Constitution. I think, for the reasons I have given, that adequate passport legislation is essential to our security. But let me be very clear. I do not believe that this piece of legislation will eliminate all the dangers which we face from the Communist conspiracy or even all of those which it is intended to counter.

I do believe that adequate passport legislation is a necessary and integral part of the screen of

weapons we have raised against the conspiracy and that it will seriously cripple the effectiveness of that conspiracy.

I do believe, finally, that all our weapons together, wisely and effectively used, will contain the internal menace of the Communist conspiracy within tolerable limits while our military strength deters its worldwide menace and our foreign policy seeks to replace its threat with a just and durable peace.

The Role of Labor in African Development

by Joseph C. Satterthwaite
*Assistant Secretary for African Affairs*¹

It is a real pleasure to have this opportunity to meet with representatives of the American labor press and to note the interest that you have displayed in a very important topic; namely, that of African development and the role of labor in that development.

Before I launch into my subject, however, a few notes of general background are in order, for one cannot discuss any aspect of modern Africa without some basic understanding of the diverse nature of the continent and its peoples.

Visitors to the United States are often overwhelmed by its size and the complexity of its society, and they leave after a few weeks or even months with a feeling that they have had no more than a passing contact. It is equally and possibly more difficult for us at this distance to gain an understanding of Africa, with its 200 million inhabitants speaking over 700 languages and representing all stages of development, from the most primitive to the most modern.

Geographically, Africa is huge, almost four times the size of the United States. The continent has a north-south extension of 5,000 miles, and the east-west distance is 4,600 miles. By comparison the United States extends 2,800 miles

from east to west, and from the southernmost tip of Texas to the Canadian border it is only 1,600 miles.

Nor can one speak of Africa as a homogeneous whole. Politically, for example, it has more than twoscore different entities, including 10 independent states, 6 United Nations trust territories, and the numerous dependent territories of Great Britain, France, Belgium, Portugal, and Spain. For general purposes of understanding, therefore, it is useful to think of there being at least three Africas—although geographers, social scientists, and ethnologists would widely differ on this definition. These three Africas could be described as: (1) North Africa—including the Muslim Arab-Berber North Africa of the Mediterranean littoral and extending, for our purposes, over to the horn of Africa, which includes Christian Ethiopia and the Muslim peoples of the various Somali lands; (2) the multiracial areas of East, Central, and South Africa—the area where white, Asian, and African are settled side by side; and (3) the predominantly Negroid areas of West Africa, where the white man is present as a technician, trader, administrator, missionary, or teacher, but not as a permanent settler.

Of the population of Africa, estimated roughly at 220 million, some 6 million are European or of European origin, principally concentrated in Al-

¹Address made before the Eastern Labor Press Conference at New York, N.Y., on Mar. 20 (press release 206).

geria and East, Central, and South Africa, and 750,000 are Asians, mainly Indians, living largely in East and South Africa.

Religiously, 80 million or more Africans, including Arab, Negroid, and mixtures of races, are Muslim, mainly concentrated in the North, Sahara, and East coastal regions, and about 20 million are Christians, spread throughout Ethiopia and the sub-Sahara area. The majority of sub-Sahara Africans, however, are still pagan or animist.

As a final note of general introduction, sub-Sahara Africa is not the lush rain-forest area of popular imagination. With the exception of the Gulf of Guinea and the Congo regions, much of sub-Sahara African lands are arid and lack of water is an acute problem in vast regions, some of which have heavy rainfall concentrated only in brief periods.

Status of African Development

Although the continent is rich in natural resources, economic development is proceeding so slowly that Africa dropped from 2.3 percent of the world's income in 1938 to 2 percent in 1949. In that same period the United States jumped from 26 percent to 41 percent of the world's income, and later reports indicate that the gap between the two is becoming even greater.

Newly independent states are appearing in rapid succession, and while the position of the United States Government on this development is well known I should like to restate it here, in the words of Secretary Dulles at Cleveland last November:²

The United States supports political independence for all peoples who desire it and are able to undertake its responsibilities. We have encouraged and we rejoice at the current evolution.

We must, however, recognize that under present conditions newly created nations face a formidable task. . . . There is great danger that newly granted independence may turn out to be but a brief interlude between the rule of colonialism and the harsh dictatorship of international communism.

The fact of that risk must not, however, lead us to abandon our basic faith in the right and capacity of peoples to govern themselves. What is needed is to reinforce that faith with a resolve to help the new nations to solve their problems in freedom and thus to preserve their newly found independence.

² BULLETIN of Dec. 8, 1958, p. 897.

African economic development has not kept pace with political changes, and this provides us with some sidelights on the African personality. Whether or not they are fully aware of the dangers as well as the responsibilities of independence, Africans today feel a great need for dignity and equality, are rebelling against inferior status and treatment, and are seeking self-determination.

Role of Labor in Africa

When we consider the role of labor in the development of Africa, we should be aware of these psychological and emotional elements in the character of the African worker. Wage rates for African workers, for example, are substantially lower than for other workers in the same establishments and the *rate for the job* agitation represents more than a demand for additional pay, as important as that may be. It represents a striving for status and an effort to remove a stigma.

Much has been said about the dominant role of labor in African independence movements and the basic importance of mature and responsible labor unions in the development of stable regimes. It is important to recognize, however, that in order to maintain itself a labor union must do something for its members and must do so continually. It may well be that the most difficult problem of the unions in all underdeveloped countries is precisely how to produce benefits and improvements for the membership in economic situations where there is stagnation or where development is so slow that pressure for higher wages and steadily improved conditions can lead only to grave distortions in the economies. Union restraint in such situations often leads to internal dissatisfaction and invites attack from those who have the doubly evil purpose of subverting the unions and creating general instability.

It is apparent that the only real answer to this dilemma is as rapid an economic development as these societies can absorb and that the greatest contribution that can be made from the outside to the growth of responsible and democratic unions in Africa is that of economic and technical assistance. Developing economies mean more and better jobs, and with such development the labor movement can do much for its members and retain their loyalty and support.

Whatever the rate of economic development,

there will be constant need of labor statesmanship in gearing the demands of labor to the strength and vitality of the economy in general and of the individual enterprise in particular. And an equal amount of statesmanship must be displayed by employers and especially by governments in the promulgation and administration of the labor laws that become necessary for the regulation of labor market relationships.

Basis for Trade Unionism

It may be well to pause at this point for a brief examination of the basis for trade unionism in Africa. I have noted that we are confronted with more than one Africa, and, in view of the extremely uneven development, it would be misleading to use an overall figure on wage earners, even if such a figure were available. In the United States we know that in a population of 175 million there are almost 51 million wage earners, including those in agriculture. In other words, about 29 percent of our entire population is in the wage-earning group. What are the figures for Africa, in parts of which the population has yet to learn about money wages?

In its *Directory of Labor Organizations in Africa*, issued last year, the United States Department of Labor was able to supply comparable figures on wage earners in only 13 of the 40 African countries and territories listed. Even in some of these the only information available is 5 or 6 years old. According to these figures, less than 10 percent of the population in vast areas of the continent can be listed as wage earners, some areas showing as little as 2 and 3 percent.

These few workers, most still in the process of learning how to read and write and to work for money wages, may not present themselves as a likely field for trade union organizing activity. Trade union membership claims are highly unreliable in a situation of this kind, but the Department of Labor *Directory* reports an overall membership of about 3 million, about half of them in affiliates of the International Confederation of Free Trade Unions (ICFTU). In view of the known difficulty in collecting dues and maintaining membership records, there is no way of knowing how many would be classed as union members by American standards. This is not to say that these claimed members could not be counted on,

together with many others, to follow union leadership.

Wage demands are based not only on the stated needs of the workers but on such considerations as increasing productivity and on the argument that higher wages generate the buying power that is essential to the health of the economy. It is well known that established unions in Europe and the United States employ experts who lay the basis for wage demands by exhaustive study of statistical and other information, often supplied by governments, and thus produce the most effective demands possible. Consider the situation of a young African union—and most of them are very young—without experts of this kind, with inexperienced leaders, and with no basic data. Membership dissatisfaction with wages and working conditions too often combines with other feelings of frustration to produce situations that may erupt into spontaneous strikes that only create greater problems.

Training for Labor Leadership

It becomes apparent that training for labor leadership should have a high priority in programs for African development. A number of trade union leaders and government officials concerned with labor affairs have been brought to the United States by the International Cooperation Administration and the Department of State to study practices here. Two such teams of five men each are expected from Ghana within the next few weeks.

In the case of trainees from Africa it is necessary to guard against the likelihood of personal experiences that may adversely affect the value of the training itself. We must recognize that, although we may be fully aware of the progress we are making in the area of race relations in the United States, the African visitor will judge us entirely on his own experiences here.

It is in this field that we can render intangible but real and lasting aid to the new African states. We help ourselves and our friends in Africa by recording steady progress toward the solution of our own problems in the field of race relations. The press, including the labor press, is in a unique position to further this effort in its normal function of influencing public opinion. It is well for the American public to be kept constantly aware

of the effects abroad of our daily experience in this important area of human relations. Our actions speak more loudly than do our official pronouncements, and they provide the basis on which others, and especially Africans, judge our actions in apparently unrelated fields.

Whether the training for trade union leadership is carried on at home or abroad, it is obvious that it should be adapted to the specific needs of the trainees. In the case of those visiting the United States, special emphasis must be placed on training activity that is adapted to conditions in the trainee's own field of activity at home. The ICFTU, which numbers among its affiliates the AFL-CIO and the United Mine Workers of America, has taken trainees abroad and has now made a notable beginning on training in Africa with the establishment of its Labor College at Kampala in Uganda. The college has an international staff, including an American. Thirty-two trainees from 12 countries and territories have just concluded the first 4-month course. The ICFTU hopes eventually to staff this school entirely with Africans, using men who have had foreign travel and study as well as study and trade union experience in Africa.

African development also calls for vastly expanded programs of technical training, much of it geared to the needs of workers coming from primitive tribal life and adjusting to the discipline of industrial activity and urban living. Reports of "target employment"—working only long enough to buy some desired article—serve to point up the complexity of this problem. Employers in highly developed countries with already urbanized workers are frequently plagued by high labor turnover, and it is not to be wondered at that it should be a problem in Africa. It is not enough to deplore the practice of target employment as the whimsical behavior of the African worker. It should be pointed out that in the absence of any specific target, such as a watch or a bicycle, he might not have come in the first place. On the other hand, the American or European worker generally has broader and more long-term goals, such as education for his children and security against unemployment and in his old age. Tribal life does not involve formal education, and the tribe takes care of all its members. As a matter of fact, unemployed Africans are frequently returned to their home communities because it is

known that they will at least have food and shelter there.

Our concern here, however, is with the problem of holding workers and increasing their productivity through training and experience. Many employers and missionaries have solved one of the underlying problems by encouraging the men to bring their families with them and by maintaining community programs, including training in home arts for the wives and mothers.

With appropriate incentives and training, Africans are demonstrating their ability to adjust to the requirements of modern industry and to achieve a high degree of proficiency. Two years ago a Belgian worker at a smelter in the Belgian Congo would be called on in a situation requiring "problem solving" and supervisors believed this would always be the practice. Today in a similar situation a Congolese worker may be called on to solve the problem.

In January of this year, the International Labor Organization established its first field office in Africa, at Lagos in Nigeria. One of the functions of this office is to supervise an expanding program in the field of technical training. The ILO has just decided to hold its first African regional conference in 1960, and this should do much to stimulate the technical training program and bring to the attention of the entire continent the numerous other services of the ILO.

International Labor Organizations in Africa

I have mentioned the ICFTU Labor College at Kampala, and I should like to comment further on international labor and the development of Africa. When the ICFTU was founded in 1949 it had affiliates in three African countries. Today it has affiliates in 20 African countries and territories with a reported total membership of about 1½ million and hopes to establish soon a separate African regional organization, similar to its regional organizations for Europe, Asia, and the Americas.

As a prelude to the regional organization, sub-regional committees are being established. The first of these, the committee for East, Central, and Southern Africa, is now functioning under the chairmanship of Tom Mboya, General Secretary of the Kenya Federation of Labor. The committee has its headquarters at Nairobi. Yesterday [March 19] the ICFTU concluded its World Eco-

conomic Conference of Free Trade Unions at Geneva, one of its purposes being the stimulation of increased aid to the developing areas of the world. I understand that officers and economists of the AFL-CIO took part in the conference, and I assume it will be reported and commented on in the labor press here.

Three other international labor organizations are interested in Africa: the International Federation of Christian Trade Unions, largely in French-language areas of sub-Sahara Africa; the International Confederation of Arab Trade Unions, confined to parts of Arab Africa; and the Communist World Federation of Trade Unions (WFTU). The WFTU claimed African affiliates with a total membership of 77,000 at the end of 1957. Competent observers gave them only 24,000 at that time and state that the number is even less now.

The Communists do not appear to be embarrassed by the scarcity of official WFTU affiliations in Africa and are busily promoting local "united front" activities and even international groupings including free trade unions. An example of this is the continuing drive for an Afro-Asian grouping of unions, without respect to present affiliations. It is clear that the ultimate purpose is to bring African and Asian labor under Communist influence and direction.

It is well known that, while free trade unions have difficulty in collecting dues from their financially limited members and are handicapped by a lack of full-time organizers, the Communists, who make no pretense of collecting dues, often have adequately staffed operations. An important part of their activity is the recruitment of workers for trips to the Soviet-bloc countries, and while there are no figures available it is safe to say that hundreds of Africans make these trips every year. Under active Soviet Russian guidance, the Communists are also making a special point of identifying themselves with African independence movements. This is especially important in view of the part played by African labor in these movements.

As Secretary Dulles stated in his Cleveland speech, the newly created nations "are marked out by international communism as special prey. It is classic Communist doctrine, enunciated by Lenin, that communism should initially stimulate 'nationalism' in order to break the ties between

colonized areas and the colonial powers. Then communism should move in to 'amalgamate' the newly independent peoples into the Communist bloc." We anticipate a continuing increase in this type of activity, and it has special pertinence for African labor unions closely identified with political parties.

Labor's Political Role

In parts of Africa overall illiteracy still approaches 90 to 95 percent; consequently educated Africans are readily projected into positions of power and influence. As I have indicated, we find many of them with their unions in the forefront of independence movements. They may also engage in political activity for the purpose of securing laws and regulations on guaranteeing freedom of association or basic trade union rights. In situations where these rights are already assured they may find political and legislative action more effective than trade union activity for the purpose of raising labor standards. As a matter of fact, the legislative route is often followed in the United States in areas where trade unionism is weak. With the Africans, however, there are additional reasons for the greater emphasis on political activity. The nature of their following is one explanation, and another is their own lack of training and experience in trade union activity. Again we see the need for expanded programs in the field of training for trade union leadership.

Conclusions

I should like to conclude by returning to a point I touched on earlier. I referred to the need of statesmanship on all sides in handling problems of economic development, and this raises a question on which there is some disagreement. There are those who say that, in vast areas of sub-Sahara Africa, health and well-being are more urgently needed than investment capital. They maintain that, in spite of technical training and education, labor productivity will remain low because of the lethargy resulting from the combined impact of disease, malnutrition, heat, and humidity. The amount of food may be adequate but it is habitually lacking in proteins, and these experts advocate an increase in the amount of developmental capital devoted to an improvement of the food supply. Others maintain that primary emphasis should be placed on capital investment in heavy industry,

leaving the standard of living at its present low level for some time. According to this argument, capital invested in heavy industry creates maximum employment opportunities and gives the largest return in the shortest time to the community as a whole. I suppose a great deal of support can be found among honest and able men on both sides of this argument, and it is not my purpose to get into it here. I bring it up only because of the implications it has for the subject we are discussing.

It should be pointed out that the argument has to do with human beings and that, with the exception of an unfortunately large part of the world—the Communist bloc—human beings of the 20th century insist on having a voice in matters of this kind. We are told that the workers of the Communist part of the world favor the current emphasis on heavy industry, including armaments industry, as against improvement in their living standards, but it is obvious that they are given no choice.

It is equally obvious that if the totalitarians were to take over in Africa they would arrive at decisions on these matters in the same way—without giving a choice to the worker.

I believe it is safe to conclude that the free labor movements of Africa, spottily developed though they are, will have a strong voice in the direction which African development follows. They may favor the forced draft method, continuing present low standards of living and postponing enjoyment of some of the fruits of their labor. Or they may choose to take some of the benefits now and let the capital accumulation process take a little longer. No matter which path they choose, it should be their own choice.

President Disapproves Increase in Tariff on Tartar Imports

White House press release dated March 14

White House Announcement

The President on March 14 decided that he would not approve the increased tariff on imported tartaric acid and cream of tartar which the United States Tariff Commission had recommended.

After a careful consideration of all of the facts

of these cases, the President concluded that escape-clause relief was not warranted. He stated his decision in identical letters to the chairmen of the Senate Finance Committee and the House Ways and Means Committee. The President's letter noted the irregular movements of production and imports and called attention to the decline in consumption which is partially attributable to the increased competition of substitute products. The President also discussed certain unusual features of these cases arising from the fact that the two items in question are produced by a single company producing a variety of products in the United States and abroad.

On January 14, 1959, the Tariff Commission reported to the President the results of its tartaric acid and cream of tartar investigations under section 7 of the Trade Agreements Extension Act of 1951, as amended. The Commission found that escape-clause relief was warranted in both cases; two Commissioners dissented from the finding with respect to cream of tartar. One member did not participate in either case.

President's Letter to Committee Chairmen ¹

MARCH 14, 1959

DEAR MR. CHAIRMAN: Under Section 7 of the Trade Agreements Extension Act of 1951, as amended, the United States Tariff Commission reported to me on January 14, 1959, the results of its escape clause investigations concerning tartaric acid and cream of tartar. The Commission found that escape clause relief was warranted in both cases. Two Commissioners dissented from the finding with respect to cream of tartar, and one member did not participate in either case.

I have carefully studied the facts of these cases and have had the benefit of the advice of the Trade Policy Committee and other departments and agencies of the Executive Branch.

The Commission reports that sales of domestic tartaric acid and cream of tartar had declined from the high levels of the earlier postwar period but had made a significant recovery by 1956-57. Imports of tartaric acid increased materially in 1951, fell by one-half by 1955, and then increased

¹ Identical letters were sent to Senator Harry F. Byrd, chairman of the Senate Committee on Finance, and Representative Wilbur D. Mills, chairman of the House Committee on Ways and Means.

to a level somewhat above that of 1951. Cream of tartar imports have fluctuated without any significant trend; in 1957 cream of tartar imports were near the 1950 level.

The consumption of tartar products has declined from the high levels of 1950 and 1951. Consumption increased in 1956 above the low volume of 1954-55 but declined again in 1957. This pattern is partially attributable, as the Commission's report points out, to the increasing competition of substitute products. Citric acid, for example, has wholly displaced tartaric acid in some uses and partially displaced it in others. Similarly, phosphate-type baking powders have been increasingly competitive with tartar-type baking powders. To raise tariffs and thus increase the price of the products under investigation would tend to encourage the additional development and use of alternative materials. This could mean a further loss of sales for tartar products.

There is an unusual feature in these cases which creates difficulties in appraising the results of the Commission's investigation. The two items in question are domestically produced by one company. Cream of tartar and tartaric acid were made in one of the company's plants which also produced Rochelle salts and nothing else. The production of all three items proceeds from the same basic raw materials. Although the proportion of each that can be produced from a given quantity of raw materials may be varied somewhat, the report states that it is not generally economical in an integrated plant to produce only one or two of these products. The third product, Rochelle salts, is not included within these escape clause proceedings which were confined to tartaric acid and cream of tartar.

In addition, the financial experience of the one domestic producer involved is obscured somewhat by the fact that tartaric acid and cream of tartar sales account for less than one percent of the company's total sales of varied chemicals produced in its plants in the United States and abroad. In such circumstances, the calculation of profits on particular items of output must be based on more-or-less arbitrary divisions of numerous costs and charges. In the immediate cases, the producer's financial data on tartaric acid and cream of tartar includes a share of the company's total research, development, and general administration

expenditures. These expenditures are not, as two Commissioners point out, closely related to tartar operation. The research, development, and general administration charges to tartar operations, moreover, are relatively large in comparison with the company's returns on those operations. Nevertheless, for the period 1950 through 1957 the producer reports net operating profits in two years on tartaric acid, profits in five years on cream of tartar, and substantial profits in every year on Rochelle salts.

After a careful consideration of all of the facts of these cases, I cannot conclude that escape clause relief is warranted. The existing rates of duty for tartaric acid and cream of tartar should remain unchanged.

Sincerely,

DWIGHT D. EISENHOWER

Development Loans

Ecuador

The United States and Ecuador on March 23 signed a loan agreement at Washington, D.C., by which the Development Loan Fund will lend \$4.7 million to help complete the Pan-American Highway between Loja and Macara in the southern part of Ecuador. For details, see Department of State press release 209 dated March 23.

Congressional Documents Relating to Foreign Policy

86th Congress, 1st Session

Space Handbook: Astronautics and its Applications. Staff report of the Select Committee on Astronautics and Space Exploration. H. Doc. 86. February 24, 1959. 252 pp.

Summary of Hearings: Astronautics and Space Explorations. Staff report on hearings before the Select Committee on Astronautics and Space Exploration, 85th Congress, 2d session, on H.R. 11881. April 15-May 12, 1958. H. Doc. 87. February 24, 1959. 46 pp.

The International Geophysical Year and Space Research. Staff report of the Select Committee on Astronautics and Space Exploration. H. Doc. 88. February 24, 1959. 36 pp.

Survey of Space Law. Staff report of the Select Committee on Astronautics and Space Exploration. H. Doc. 89. February 24, 1959. 60 pp.

Investigations by the Committee on Interstate and Foreign Commerce. Report to accompany S. Res. 27. S. Rept. 53. February 26, 1959. 6 pp.

G.A. Adopts Resolutions on Future of Camerouns

Following are statements made in the resumed 13th session of the U.N. General Assembly by U.S. Representatives Henry Cabot Lodge and Mason Sears during debate on the future of the trust territories of the Camerouns under French and British administration, together with texts of the resolutions adopted in plenary session on March 13.

STATEMENT BY MR. LODGE ON FRENCH CAMEROUN, MARCH 10¹

My remarks today concern Cameroun under French Administration. On this subject we have before us the following:

First, the draft resolution of Haiti, Italy, New Zealand, Paraguay, and the United States² calling for the unqualified independence of French Cameroun on January 1, 1960, and the termination of the trusteeship agreement on that date.

Secondly, amendments presented by Burma and others referring to Prime Minister [Amadou] Ahidjo's intentions to hold elections after independence.³

Finally, amendments by Ghana and others calling principally for elections before independence.⁴

Inasmuch as we now appear to be approaching a vote, it is fitting to express the United States attitude on these issues.

Now, Mr. Chairman, there is, I think, no dispute over the necessity for terminating the trusteeship agreement or over the certainty that Cameroun will in fact be independent on January 1, 1960. It only remains for the General Assembly to fulfill its part in bringing about this significant event by

affirming the termination of trusteeship at this session.

The main issue which we confront is whether or not the government which obtained the promise of independence and is now leading Cameroun to independence shall be allowed to continue its work without further demands upon it from outside. In this connection, Mr. Chairman, we confront the amendments presented by Ghana and others calling for new elections prior to independence.

The United States is opposed to these amendments and will vote against them.

All the advice which the General Assembly has received from United Nations sources seems to us to be opposed to elections prior to independence. We have, first of all, the report of the visiting mission,⁵ a highly expert group which has shown itself to be worthy of our trust and which, unlike practically all of us here in this room, has actually gone to the country and has seen things for itself.

The report of the visiting mission says that the election of December 23, 1956, in which the present government was elected to office was decided by universal suffrage, that the successful candidates stood for independence, that the election campaign and the voting proceeded normally in all but a very small section of the territory, and that the percentage of people voting compared favorably with elections in other African states. The visiting mission concluded:

There are certainly insufficient grounds . . . for the holding of new general elections under United Nations supervision before the termination of trusteeship. Furthermore, it [the visiting mission] sees no reason why fresh elections to the Legislative Assembly should be a precondition of the attainment of independence. It must be remembered that it was the present Legislative Assembly . . . which demanded and obtained from France the commitment to grant independence on 1 January 1960. It would be ironic if their representative character were to be called in question.

Then, Mr. Chairman, we have the action of the Trusteeship Council.

¹ Made in Committee IV (Trusteeship) (U.S. delegation press release 3155).

² U.N. doc. A/C.4/L. 580.

³ U.N. doc. A/C.4/L. 583.

⁴ U.N. doc. A/C.4/L.581 and A/C.4/L.584/Rev. 1.

⁵ U.N. doc. T/1427 and T/1434.

The members of the Trusteeship Council by an overwhelming vote upheld the report of the visiting mission that there is no reason to have an election in Cameroun before January 1, 1960. The Council members who voted in favor of this position were: Burma, New Zealand, France, Haiti, Paraguay, the United States, the United Kingdom, India, China, Belgium, Australia, and Italy.

Finally, there is the Government of Cameroun itself—a government which is fresher from the polls than the governments of the great majority of even those United Nations member states who hold free elections.

The Prime Minister of Cameroun has persuasively put the case to this Assembly in these words:

It is my responsibility, together with my Government and with the Assembly which has placed its trust in us, to prepare my country for independence on 1 January 1960. In less than a year we have to accomplish a major task. I cannot concede that merely in order to please certain people, whom we are urging to play their part as citizens in building up Cameroun, we should inflict on our country all the confusion of a pointless electoral campaign. I say this in all sincerity, having carefully weighed all my responsibilities.

The proposals for new elections prior to independence are thus contrary to the best judgment of the Prime Minister of the country itself, contrary to the best advice of a visiting mission of the Trusteeship Council which was sent to the territory, and contrary to the almost unanimous opinion of the Trusteeship Council, which is the United Nations Charter organ specifically charged with responsibility on trusteeship matters.

Mr. Chairman, we must not cast doubt on the government which by peaceful methods has succeeded in winning a commitment for immediate and complete independence. The United Nations must not support even indirectly those leaders, no matter how devoted to independence they may be, who exiled themselves from their country rather than renounce the use of force.

The United States has heard no arguments or facts presented to this Assembly which are so overwhelming as to justify any reversal of the recommendations made by the visiting mission and the Trusteeship Council. Indeed we enthusiastically applaud the efforts of the Camerounian patriots, on the one hand, and the vision of the administering power, on the other, which have made possible the independence of Cameroun.

The facts are perfectly clear. The present Government of Cameroun was democratically and freely elected. And equally important, this is the government which has actually negotiated independence. Certainly its success in this regard entitles it to take its place among the great African nationalist movements of this era. Let us keep our sense of perspective.

The country will become independent in less than a year. It is now entering a period when constructive work and preparation for independence must be undertaken in harmony and not in discord. The Prime Minister has informed us that, after the country is independent it must, as must every sovereign state, determine its final institutions. He has told us that general elections will then be necessary to settle various constitutional and other questions and to help establish the final form of the institutions of a free and independent Cameroun. The Prime Minister's statement should put at rest any legitimate fears which might have been held about the willingness of the present government to base itself upon popular support.

The time has now come for the United Nations to assist the freely elected government and the people of Cameroun in their task and not to raise further obstacles in their way. By agreeing that Cameroun should be independent, the General Assembly at the same time will be expressing its confidence that an independent Cameroun is capable of holding its own free elections. Surely, Mr. Chairman, those who advocate that there should be a United Nations-supervised election prior to independence do not believe that this would be the last fair election in Cameroun. They cannot think that. They cannot consider that an independent Cameroun is incapable of holding proper elections. If they thought this, one could only conclude that they think Cameroun is not yet ready for independence; and no one that I know of has said that. As Prime Minister Ahidjo said:

It would be illogical to take the position that the Assembly which was considered fit to ask for independence was now not considered suitable to receive it.

For these reasons, the United States is convinced that it would be both unjust and disruptive for the General Assembly to recommend the dissolution of the government which was responsible for bringing independence about.

The United States will consequently vote

against all the amendments dealing with elections in document A/C.4/L.584.

The United States will also vote against amendment 2(a) in the same document, designed to abrogate the decree of July 13, 1955. The Government of Cameroun has enacted a broad and generous amnesty covering all but the most serious of crimes. This amnesty has, in fact, been described as one of the most sweeping amnesties ever enacted. This amendment amounts, in effect, to a recommendation that organizations which attempted to overthrow the government by force of arms should be backed by the General Assembly. We will, as I say, vote against this amendment.

We do, however, accept the last amendment in the same document (A/C.4/L.584), which recommends the admission of Cameroun to the United Nations after independence. This was implicit in the original resolution. I am authorized to say that the cosponsors will incorporate this paragraph in the resolution without a vote.

I now come directly to the amendments proposed by Burma and others, document A/C.4/L.583. The United States appreciates this initiative to narrow the few remaining differences which exist, particularly on the question of elections. These amendments incorporate statements made by Prime Minister Ahidjo on the elections in separate districts and on general elections after independence. They thus underline the willingness and intent of the Government of Cameroun to pursue a democratic course and to continue to reflect the will of the Camerounian people. They are, as the operative paragraph suggests, an expression of confidence in the good faith and capabilities of the present government.

At the same time we have some hesitation about provisions, especially the new operative paragraph, which deal with the course of action of a country after its independence. We could not have supported them had not Prime Minister Ahidjo accepted them in the spirit of conciliation and statesmanship which, I may say, in my opinion, he has shown throughout this entire debate.

The cosponsors of the resolution have consulted on these amendments presented by Burma and others and are prepared to incorporate them in our resolution. In making this move we believe we have gone as far as possible toward reaching general agreement. We urge that this effort to conciliate the point of view of those who favor

elections be given its full weight and that the committee join in unanimously welcoming Cameroun to independence without qualification.

Let me conclude, Mr. Chairman, by appealing to all members of this Assembly to join in helping to create the conditions under which this new country can assume the beginnings of nationhood in the most favorable atmosphere.

It is in all truth an exhilarating experience to assist a people to attain their freedom and independence. Let us carry out our task in the spirit of the charter to the end that the peoples of Cameroun can forever be grateful for the help which the United Nations was able to give them at this crucial moment in their history.

STATEMENT BY MR. SEARS ON THE BRITISH CAMEROONS, MARCH 11⁶

First I want to say that we will vote for this resolution.⁷

However, the Representative of Liberia has raised a point which creates a difficulty for us. It concerns her proposed amendment,⁸ which calls for the holding of elections in the northern part of the territory under universal adult suffrage, including both men and women.

Mr. Chairman, as a matter of principle, the United States strongly favors universal suffrage, including voting rights for women. It is actually written into our Constitution. We are therefore pleased that the elections in French Cameroun and also in the Southern British Cameroons have in fact taken place on the basis of full universal suffrage, including women.

The Representative of the United Kingdom explained to us yesterday the similar position which is taken by his Government. However, he also pointed out the depth of influence of custom in the Northern Region, which denies the voting privilege to women, and the reluctance of the United Kingdom to *compel* a change rather than to *induce* it through democratic and educational methods.

We also note that a recent conference among all three regions of Nigeria has decided that it

⁶ Made in Committee IV (U.S. delegation press release 3154).

⁷ U.N. doc. A/C.4/L.582/Rev. 1.

⁸ U.N. doc. A/C.4/L.587/Rev. 1.

was best not to force the issue of suffrage for women for the present.

With that in mind, I would like to point out that, if the Liberian proposal were to be adopted, it would have the effect of calling upon the Administering Authority to organize a plebiscite on a basis which they could not carry out. For that reason, when the Liberian amendment comes to a vote, we regret to say we will have to vote against it.

STATEMENT BY MR. SEARS, MARCH 13⁹

Mr. President, considering that the first 13 colonies to become independent in modern colonial history were the Thirteen Original States of the present United States, it would be unnatural if we did not take pleasure in assisting others to obtain their own independence by voting for the resolutions presented here tonight.

In the course of our debates, which have produced so many far-reaching decisions on behalf of the Cameroonian people, we have on more than one occasion been grateful for the assistance of the African leaders who have come here to represent them. They have represented their country well. Prime Minister Ahidjo and Mr. [Daniel] Kemajou [President of the Legislative Assembly of Cameroun] and his associates have won the respect of all of us for the way they have presented their case. Likewise Prime Minister [John] Foncha of the Southern Cameroons, former Prime Minister [E. M. L.] Endeley, and Malam Abdullahi of the Northern Region have been of the greatest assistance in advising us out of their political wisdom how we can best help the people. We have also benefited from the statements of the many Cameroonian petitioners who have gone to such trouble and expense to take part in our discussions.

It is also fitting that we should express our appreciation for the cooperation which the British and French Governments have given to us and to the people of the Cameroons during the closing days of trusteeship.

At all events, now that the 13th General Assembly is almost over, we have enjoyed being with so many other nations in producing two acceptable

⁹Made in plenary session (U.S. delegation press release 3156).

resolutions concerning the termination of trusteeship in the Cameroons.

In the process, if we have differed with some of our friends, we respected their opinions; nor did any of us question the issue of independence.

Altogether, the adoption of the resolution on French Cameroun by such a decisive vote and by nations representing Africa, Asia, Europe, and the Americas indicates overwhelming international recognition of the forthcoming independence of that country. We were equally glad that the resolution on the British Cameroons received similar wide support.

We believed that these votes were essential if West African nationalism, which we consider to be nationalism at its best, was to be properly encouraged in the Cameroons. As in Ghana, in Guinea, in Togoland, and in Nigeria, West African nationalism in the Cameroons has proved the value of a determined but peaceful approach to national independence.

The support which was given to both the resolutions has therefore made an essential contribution to self-government in West Africa. This is most important, because the example of West Africa could have a most encouraging, if not a decisive, influence upon what we must all hope will lead to the early, peaceful, and orderly attainment of nationhood in what remains of dependent Africa, and believe me, Mr. President, nothing could be more important to the continued welfare of the United Nations.

And, finally, Mr. President, let me say to the people of the Cameroons that they have our best wishes for their future. Thank you.

TEXTS OF RESOLUTIONS

French Cameroun¹⁰

The General Assembly,

Recalling its resolution 1282 (XIII) of 5 December 1958 requesting the Trusteeship Council to examine, as early as possible during the twenty-third session, the reports of the United Nations Visiting Mission to Trust Territories in West Africa, 1958, on the Cameroons under French administration and the Cameroons under United Kingdom administration, and to transmit them, with its observations and recommendations, to the General Assembly not

¹⁰U.N. doc. A/Res/1349 (XIII); adopted by Committee IV on Mar. 12 (A/C.4/L. 580/ Rev. 1) by a vote of 56 to 9 with 16 abstentions and in plenary session on Mar. 13 by a vote of 56 to 0 with 23 abstentions.

later than 20 February 1959, to enable the Assembly, in consultation with the Administering Authorities, to take the necessary measures in connexion with the full attainment of the objectives of the Trusteeship System,

Having examined the special report of the Trusteeship Council,¹¹ including the report of the Visiting Mission on the Cameroons under French administration and having also considered the observations of the Administering Authority on it,

Taking into account the statements made in the Fourth Committee by the representatives of the Administering Authority and by the Prime Minister of the Cameroons under French administration,

Noting with satisfaction the adoption by the Legislative Assembly of the Cameroons under French administration of the amnesty law of 14 February 1959 and the assurances given by the Prime Minister of the Cameroons that this law is being put into effect on the widest possible basis and with the least possible delay,

Noting the statements of the representatives of the Cameroons Government that it welcomes the return of all Cameroonian who in recent years have left the country and invites them to re-enter normal life without fear of reprisal,

Having been assured by the representatives of the Administering Authority and the Government of the Cameroons that there exist in the Territory freedom of the Press, of assembly and of political association, and other fundamental freedoms,

Having been informed by the Prime Minister of the Cameroons under French administration that his Government has issued a decree fixing 12 April 1959 as the date for elections to be held to fill the four seats in the Legislative Assembly allocated to the Sanaga-Maritime area, as well as two vacant seats in the Mbouda subdivision,

Noting with satisfaction the statement of the Prime Minister of the Cameroons under French administration that there will be general elections after independence since such elections will then be necessary and useful in order to settle various constitutional and other questions,

Noting the resolution adopted by the Legislative Assembly of the Cameroons on 24 October 1958, the conclusions of the Visiting Mission and the declarations of the Administering Authority and the representatives of the Cameroons Government concerning the desire and readiness of the people of the Cameroons for independence,

Taking into account the declarations of the Administering Authority and the Government of the Cameroons under French administration that the Territory will become completely independent on 1 January 1960, and the assurances given by the representative of France that his Government will sponsor the application that will thereupon be made by the Government of the Cameroons to be admitted to membership of the United Nations,

Having heard the views of the petitioners,

¹¹ U.N. doc. A/4094.

1. *Resolves*, in agreement with the Administering Authority, that, on 1 January 1960, when the Cameroons under French administration becomes independent, the Trusteeship Agreement approved by the General Assembly on 13 December 1946 shall cease to be in force in accordance with Article 76 b of the Charter of the United Nations;

2. *Expresses its confidence* that, at the earliest possible date after the attainment of independence on 1 January 1960, elections will be held for the formation of a new assembly which should take decisions regarding the establishment, in their final form, of the institutions of the free and independent Cameroons;

3. *Recommends* that, upon the attainment of independence on 1 January 1960, the Cameroons under French administration shall be admitted to membership of the United Nations according to Article 4 of the Charter.

British Cameroons¹²

The General Assembly,

Recalling its resolution 1282 (XIII) of 5 December 1958 requesting the Trusteeship Council to examine, as early as possible during the twenty-third session, the reports of the United Nations Visiting Mission to Trust Territories in West Africa, 1958, on the Cameroons under French administration and the Cameroons under United Kingdom administration, and to transmit them, with observations and recommendations, to the General Assembly not later than 20 February 1959, to enable the Assembly, in consultation with the Administering Authorities, to take the necessary measures in connexion with the full attainment of the objectives of the Trusteeship System.

Having examined, in consultation with the Administering Authority, the report of the Trusteeship Council, including the report of the Visiting Mission on the Cameroons under United Kingdom administration,¹³

Noting the statements made in the Fourth Committee by the representatives of the Administering Authority, by the Premier of the Southern Cameroons, by the Leader of the Opposition in the Southern Cameroons House of Assembly, and by the Minister for Northern Cameroons Affairs in the Government of the Northern Region of Nigeria,

1. *Recommends* that the Administering Authority, in pursuance of Article 76 b of the Charter of the United Nations, take steps, in consultation with a United Nations Plebiscite Commissioner, to organize, under the supervision of the United Nations, separate plebiscites in the northern and southern parts of the Cameroons under United Kingdom administration, in order to ascertain the wishes of the inhabitants of the Territory concerning their future;

2. *Recommends* further that in the northern part of the Territory the plebiscite should take place about the

¹² U.N. doc. A/Res/1350 (XIII); adopted by Committee IV on Mar. 12 (A/C.4/L.582/Rev. 1) by a vote of 57 to 0 with 24 abstentions and in plenary session on Mar. 13 by a vote of 56 to 0 with 23 abstentions.

¹³ U.N. doc. T/1426 and Add. I.

middle of November 1959, that the people of the northern part of the Territory should be asked:

“(a) Do you wish the Northern Cameroons to be part of the Northern Region of Nigeria when the Federation of Nigeria becomes independent?

or

“(b) Are you in favour of deciding the future of the Northern Cameroons at a later date?”

and that the plebiscite should be conducted on the basis of the electoral register at present being compiled for the elections to the Federal House of Representatives;

3. *Recommends further* that the plebiscite in the southern part of the Territory should be conducted during the next dry season between the beginning of December 1959 and the end of April 1960;

4. *Decides* that the two alternatives to be put to the people of the southern part of the Territory and the qualifications for voting in the plebiscite there should be considered by the General Assembly at its fourteenth session;

5. *Expresses the hope* that all concerned in the Territory will endeavour to reach agreement before the opening of the fourteenth session of the General Assembly on the alternatives to be put in the plebiscite in the Southern Cameroons and the qualifications for voting in it;

6. *Decides* to appoint a United Nations Plebiscite Commissioner who shall exercise, on behalf of the General Assembly, all the necessary powers and functions of supervision,¹⁴ and who shall be assisted by observers and staff to be appointed by the Secretary-General in consultation with him;

7. *Requests* the United Nations Plebiscite Commissioner to submit to the Trusteeship Council a report in two parts on the organization, conduct and results of the plebiscites, the first part of the report, which shall deal with the northern part of the Territory, to be submitted in time for transmission to the General Assembly for consideration before the end of its fourteenth session;

8. *Requests* the Trusteeship Council to transmit to it the reports of the United Nations Plebiscite Commissioner, together with any recommendations and observations it considers necessary.

United States Delegations to International Conferences

SEATO Council Meeting

The Department of State announced on March 25 (press release 221) the following U.S. delegation to the fifth annual meeting of the Southeast Asia Treaty Organization Council at Wellington, New Zealand, April 8-10.

U.S. Representative

Douglas Dillon, Under Secretary of State for Economic Affairs

¹⁴The Assembly on Mar. 13 elected Djalal Abdo of Iran to be U.N. Plebiscite Commissioner.

U. S. Council Representative

U. Alexis Johnson, Ambassador to Thailand

Senior Advisers

Adm. Harry D. Felt, USN, Commander in Chief Pacific
Robert H. Knight, Deputy Assistant Secretary of Defense
for International Security Affairs

Thomas E. Naughten, Director, U.S. Operations Mission,
Bangkok

G. Frederick Reinhardt, Counselor of the Department
of State

Walter S. Robertson, Assistant Secretary of State for Far
Eastern Affairs

Francis H. Russell, Ambassador to New Zealand

Advisers

Robert C. Brewster, Special Assistant to the Under Sec-
retary of State for Economic Affairs

John Joseph Conroy, U.S. Member of the SEATO Perma-
nent Working Group, Bangkok

Sterling J. Cottrell, Political Adviser to Commander in
Chief Pacific

L. Randolph Higgs, Deputy Chief of Mission, American
Embassy, Wellington

Howard D. Jones, Adviser to the Special Assistant for
SEATO Affairs, Department of State

John Blake Lanum, Public Affairs Officer, American Em-
bassy, Wellington

J. Gordon Mein, Director of the Office of Southwest Pa-
cific Affairs, Department of State

Rear Adm. E. J. O'Donnell, USN, Regional Director, Far
East International Security Affairs, Department of
Defense

Col. Lynn E. Witt, USAF, Commander in Chief Pacific
Robert W. Zimmermann, Special Assistant for SEATO
Affairs, Department of State

Secretariat

Dudley Miller, Executive Secretariat, Department of
State

Secretary of Delegation

John R. Bartelt, Jr., Office of International Conferences,
Department of State

TREATY INFORMATION

Current Actions

MULTILATERAL

Postal Services

Universal postal convention with final protocol, annex,
regulations of execution, and provisions regarding air-
mail with final protocol. Done at Ottawa October 3,
1957.

Ratification deposited: United States, March 31, 1959.

Entered into force: April 1, 1959.

Safety at Sea

Convention on safety of life at sea. Signed at London June 10, 1948. Entered into force November 19, 1952. TIAS 2495.

Acceptance deposited: Kuwait, January 12, 1959.

Shipping

International load line convention. Signed at London July 5, 1930. Entered into force January 1, 1933. 47 Stat. 2228.

Accession deposited: Kuwait, January 12, 1959.

Telecommunication

International telecommunication convention. Signed at Buenos Aires December 22, 1952. Entered into force January 1, 1954. TIAS 3266.

Ratification deposited: Iraq, February 4, 1959.

Accession deposited: Republic of Guinea, March 9, 1959.

Telegraph regulations (Geneva revision, 1958) annexed to the international telecommunication convention of December 22, 1952 (TIAS 3266), with appendixes and final protocol. Done at Geneva November 29, 1958.¹

Notification of approval: Iran, January 28, 1959.

War

Geneva convention relative to treatment of prisoners of war;

Geneva convention for amelioration of condition of wounded and sick in armed forces in the field;

Geneva convention for amelioration of condition of wounded, sick, and shipwrecked members of armed forces at sea;

Geneva convention relative to protection of civilian persons in time of war.

Dated at Geneva August 12, 1949. Entered into force October 21, 1950; for the United States February 2, 1956. TIAS 3364, 3362, 3363, and 3365, respectively.

Adherence deposited: Mongolian People's Republic, December 20, 1958.

BILATERAL

Canada

Agreement governing tolls on St. Lawrence Seaway. Effected by exchange of notes at Ottawa March 9, 1959.

Entered into force March 9, 1959.

Ceylon

Agricultural commodities agreement under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (68 Stat. 455; 7 U.S.C. 1701-1709). Signed at Colombo March 13, 1959. Entered into force March 13, 1959.

A new Office for Private Enterprise has been established. It will be responsible for ICA's relations with private enterprise and for developing a country-by-country program designed to stimulate substantially increased participation of private enterprise in the economic assistance and technical cooperation phases of the mutual security program.

This move is designed to enlist actively the resources and talents of private enterprise in the development of the free-world countries. Creation of this new office reflects the views of Congress as expressed in the Mutual Security Act of 1959. At that time ICA was urged to develop ways and means of expanding the role of private enterprise in advancing the foreign policy objectives of the United States. It also is in line with the recent recommendations of the Committee on World Economic Practices to President Eisenhower.

The new office will work in close collaboration with the U.S. Department of Commerce, the Development Loan Fund, the Export-Import Bank, and other U.S. Government and international agencies concerned with the problem of increasing U.S. private enterprise participation in world development.

One of the principal instruments for encouraging the participation of private enterprise in foreign economic development has been ICA's investment guarantee program. This program will be continued as a component of the Office for Private Enterprise.

The new office will be headed by Edwin H. Arnold, who has been Deputy Director for Technical Services of ICA for the past 2½ years. Mr. Arnold was formerly director and national vice president of the National Association of Manufacturers. He was engaged for many years in the chemical industry as president and chairman of the board of the Arnold, Hoffman Co., Providence, R.I.

In a second major move it was announced that all ICA technical services offices would hereafter report directly to Dr. D. A. FitzGerald, who has served in an executive capacity with ICA and its predecessor agencies since 1948.

To implement this move Stuart H. Van Dyke has been designated Assistant for Regional Programs under Dr. FitzGerald and E. N. Holmgren as Assistant for Technical Services. Mr. Van Dyke has been Regional Director for Africa

DEPARTMENT AND FOREIGN SERVICE

ICA Organizational Changes

Press release 195 dated March 17

Two major changes in the internal organization of the International Cooperation Administration were announced on March 17.

¹ Not in force.

and Europe for ICA since February 1956; Mr. Holmgreen has been Director of ICA's Office of Food and Agriculture since 1951.

This change is designed to centralize responsibility for all geographical and functional operations under one deputy director.

Revision of Consular Districts in Australia

Department mailing notice dated March 24

Effective April 1, 1959, the consular districts of Brisbane and Sydney are redefined. The purpose of this revision is to transfer Norfolk Island from the Brisbane consular district to the consular district of the Consulate General at Sydney.

Brisbane, Queensland (Consulate)

The State of Queensland, all of the area of the Northern Territory north of the 20th parallel, the Territory of Papua, the Trust Territory of New Guinea, and the Trust Territory of Nauru.

Sydney, New South Wales (Supervisory Consulate General)

The State of New South Wales, the Australian Capital Territory, and Norfolk Island.

This information supersedes the definition of these two consular districts as stated in the mailing notice of January 22, 1959.¹

Consular Agency at Las Palmas

Department mailing notice dated March 25

On March 31 jurisdiction over the consular agency at Las Palmas-Santa Cruz de Tenerife will be transferred from the Consulate General at Seville to the Embassy at Madrid. At that time the entire area of the Canary Islands, presently a part of the Seville consular district, will be incorporated into the consular district of the Embassy at Madrid. No other changes in consular districts in Spain will result from this transfer.

Establishment of Post at Taiz, Yemen

Effective March 16 the American Legation at Taiz, Yemen, was opened to the public. Raymond A. Hare is Minister to Yemen, resident at Cairo. Charles B. Ferguson is Chargé d'Affaires ad interim, resident at the post.

Confirmations

The Senate on March 19 confirmed Thomas C. Mann, Assistant Secretary for Economic Affairs, to be the representative of the United States on the Commission on International Commodity Trade of the Economic and Social Council of the United Nations.

¹ BULLETIN of Feb. 23, 1959, p. 286.

PUBLICATIONS

Recent Releases

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.

What ICA Is Doing in Afghanistan. Pub. 6671. Near and Middle Eastern Series 31. 7 pp. Limited distribution.

Address made by Robert M. Snyder, Director, U.S. Operations Mission in Afghanistan, at Kabul, October 29, 1958.

Information and Travel Tips. Pub. 6728. Department and Foreign Service Series 83. 4 pp. Limited distribution.

Some do's and don'ts for safeguarding passports of travelers abroad.

U.S. Participation in the International Atomic Energy Agency. Pub. 6731. International Organization and Conference Series I, 38. 36 pp. Limited distribution.

Report by the President to Congress on the activities of the International Atomic Energy Agency and the participation of the United States therein for the year 1957.

Treaties in Force: A List of Treaties and Other International Agreements of the United States in Force on January 1, 1959. Pub. 6762. 270 pp. \$1.25.

This publication lists treaties and other international agreements of the United States on record in the Department of State on January 1, 1959, which had not expired by their terms or which had not been denounced by the parties, replaced or superseded by other agreements, or otherwise definitely terminated.

United States Educational Foundation in Iceland. TIAS 4159. 2 pp. 5¢.

Agreement between the United States of America and Iceland, amending agreement of February 23, 1957. Exchange of notes—Signed at Reykjavik October 2 and November 27, 1958. Entered into force November 27, 1958.

Surplus Agricultural Commodities. TIAS 4160. 2 pp. 5¢.

Understanding between the United States of America and Turkey, relating to agreement of January 20, 1958. Exchange of notes—Dated at Ankara May 13 and June 9, 1958. Entered into force June 9, 1958.

Surplus Agricultural Commodities. TIAS 4161. 3 pp. 5¢.

Agreement between the United States of America and Turkey, amending agreement of January 20, 1958, as supplemented. Exchange of notes—Signed at Ankara November 24, 1958. Entered into force November 24, 1958.

Weather Stations—Cooperative Program at Lima. TIAS 4163. 3 pp. 5¢.

Agreement between the United States of America and Peru, extending agreement of April 17, 1957. Exchange of notes—Signed at Lima November 13 and December 24, 1958. Entered into force December 24, 1958.

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No.	Date	Subject
209	3/23	DLF loan to Ecuador (rewrite).
210	3/23	Meeting of Western Foreign Ministers.
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†212	3/23	Pakistan credentials (rewrite).
213	3/23	Hanes: "Passports and the Communist Conspiracy."
*214	3/23	Arrival of King of Jordan.
†215	3/23	ICA statement on McNamara case.
*216	3/24	Biographic sketch of Mr. Dillon.
*217	3/24	Three consulates in Western Pacific reopened.
218	3/25	German debt payment.
219	3/25	Murphy: Japan-America Society of Washington.
*220	3/25	Educational exchange (Africa, Greece).
221	3/25	SEATO delegation (rewrite).
222	3/26	Herter: Chinese Communist activity in Tibet.
223	3/26	Note to U.S.S.R. on German problem.
*224	3/26	Schedule for NATO Council meeting.
†225	3/26	CCIR ninth plenary assembly (rewrite).
226	3/27	Resumption of diplomatic relations with Bulgaria.
†227	3/27	Denmark relaxes dollar-import controls.
†228	3/27	Delegation to NATO ministerial meeting (rewrite).
†229	3/27	Surplus-food aid to Haiti.
†230	3/28	CCIR ninth plenary assembly (rewrite).

* Not printed.

† Held for a later issue of the BULLETIN.

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The Communist Economic Threat

In May 1958 the Department of State issued a pamphlet entitled "The Sino-Soviet Economic Offensive in the Less Developed Countries." The present publication, a condensation of that study, which was derived from a great many authoritative sources, includes the most recent data available regarding the Communist program of economic penetration.

As was pointed out in the earlier study, this program represents an attempt by the Sino-Soviet bloc to employ its growing economic and industrial capacities as a means for bringing the newly developing free nations within the Communist orbit. The Sino-Soviet program is a massive attempt, having involved to date financial commitments by the bloc of nearly \$2.5 billion.

This document is a description of the scope and nature of this offensive and an analysis of its motives and objectives.

Publication 6777

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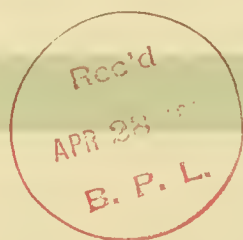
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Bulletin



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OFFICIAL WEEKLY RECORD UNITED STATES FOREIGN POLICY

THE DEPARTMENT OF STATE

Bulletin

VOL. XL, No. 1034 • PUBLICATION 6807

April 20, 1959

The Department of State BULLETIN, a weekly publication issued by the Public Services Division, Bureau of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, United Nations documents, and legislative material in the field of international relations are listed currently.

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Tenth Anniversary of the North Atlantic Treaty Organization

**MINISTERIAL MEETING OF THE NORTH ATLANTIC COUNCIL
WASHINGTON, D.C., APRIL 2-4, 1959**

Following are remarks made by President Eisenhower and Acting Secretary of State Herter at the opening session of the Ministerial Meeting of the North Atlantic Council at Washington, D.C., on April 2, together with statements made at the same session by Joseph M. A. H. Luns, Honorary President of the Council, and Paul-Henri Spaak, Chairman of the Council and Secretary General of the North Atlantic Treaty Organization, the text of a final communique issued on April 4, and an announcement of the U.S. delegation.

REMARKS BY PRESIDENT EISENHOWER

White House press release dated April 2

It is for me a great privilege and a great pleasure to welcome to Washington the Secretary General of the North Atlantic Treaty Organization and the Foreign Ministers of the NATO nations.

As I review the list of the distinguished persons of this audience, I find the names of many old friends and colleagues from times past, including the early days when I myself was associated directly with NATO. It is indeed heart-warming to greet you here this morning.

And I think it would be somewhat miraculous if an old soldier should find it possible to restrain the impulse to reminisce just a bit about those early days when we were trying to organize and to bring together the military portions of the NATO alliance.

In doing so, I visited each of the countries. I went to see their heads of state, heads of government, the chiefs of the armed services, and as many members of the governments and of the citizens of the country as I could possibly see.

There was only one message that I had to carry. I knew that the basic purpose of the alliance was already achieved. Here in this room 2 years earlier there had been brought about that union of hearts and of purpose that was affirmed in the treaty under which we still operate.

But the achieving of the strength that could realize a particular passage of the Bible that comes to mind was still to be realized. That passage in St. Luke says, "When a strong man armed keepeth his palace, his goods are in peace." That was what we had to do.

To the members of the armed services and to the governments, then, I had one simple message. It was this: Look at the hand. Each finger is not of itself a very good instrument for either defense or offense, but close it in a fist and it can become a very formidable weapon of defense.

So our job was to make each finger stronger, sturdier, so as to get a fist that could defy anyone that would think of aggression against the free world and the values that it is still defending as it was then defending.

I would like to ask each delegation, each individual from another country, to carry back to those countries my affectionate greetings and my warm remembrance of the kindness and the cooperation they then gave to me some 8 or 9 years ago. It was a very great privilege—I think one of the most interesting experiences of my entire military life.

Growth of NATO

Today we celebrate the 10th anniversary of this organization. Founded as an alliance to assure our defense against the threat of aggression,

NATO has grown into a powerful security community by means of which the free people of 15 nations pursue the goal of a durable peace with justice.

Now for generations each nation, including my own, pursued this aim through its own individual efforts. But the galloping pace of technology and the upheavals of modern war brought the world suddenly to a new stage of its existence. By 1945 Americans, together with all other peoples, recognized the urgent need for a new relationship among nations.

That year the establishment of the United Nations Organization lifted hopes the world over that all peoples would at last join together in a universal quest for peace and justice. Momentarily it seemed that mankind at long last had begun to put aside the weapons of war in favor of the tools of peace. But quickly it became evident that the aftermath of World War II had brought, along with this opportunity, new dangers of fearful and unusual significance.

War for all nations has always meant privation, suffering, and death. But with the advent of nuclear science the possibility of war suddenly threatened entire civilizations. Almost simultaneously a new dictatorship reached such great power that it openly challenged the concepts of justice and freedom which our respective nations adhere to and support. So challenged, no free nation dedicated to peace and the preservation of priceless human values could adopt aggression as a countermeasure. But all quickly realized that, to stand firmly in defense of their people and those peoples' rights, they had to act in unison.

The stake was not merely the security of our nations from military onslaught; the true issue was our ability to protect the spiritual foundations of Western civilization against every kind of ruthless aggression, whether the attack should be military, economic, or political.

Out of this realization was born the North Atlantic Treaty Organization. Its immediate purpose was the prevention of war by deterring military aggression in Europe. The task presented many difficulties, one of which was that there was no guiding precedent. But out of necessity and through the good will of member nations we succeeded within a few short years in building a substantial defensive establishment.

Atlantic Partnership in Other Fields

Since NATO was formed there has been no further Communist advance in Europe, either by political or by military means. And, while our military efforts have obviously required economic sacrifice, they have by no means stunted the economic growth of member countries. Instead there has been a notable increase in production, trade, and living standards among the NATO peoples during the 10 years of NATO's existence.

NATO is unique in many respects. Of these, the most important by far is our common support of spiritual and moral values. Each nation has, of course, its heritage of religion, language, literature, music, education, and other elements of culture which give real meaning to life. But among all there is a close kinship because of a common belief in the freedom and the dignity of man. All of us are devoted to the twin ideals of peace and justice, neither of which can live long without the other.

Sustained by a conviction in the rightness of our cause, by faith in ourselves and in each other, NATO has grown steadily in its capacity to assure our common security.

And our alliance is developing an ever-growing political cohesion. The Permanent Council, under the chairmanship of the able and dedicated Mr. Spaak, is becoming an effective mechanism for harmonizing the policies of the Atlantic peoples. By our association we have created possibilities for new and unprecedented forms of economic cooperation among the free peoples of Europe. Together we have laid the foundation for intimate Atlantic partnership in other fields, such as science and technology. All these achievements of the past decade merely point the way for an accelerated progress ahead.

Thus united in purpose and sustained by our moral, economic, and military power the member nations begin the second decade of their association in NATO.

Door Open for Discussion and Negotiation

We shall always keep open the door of honest discussion—even to those whose creed is world domination. Our governments conduct continuous, almost daily, discussions and negotiations with the Soviet Union. We use regular diplo-

Salute to NATO

Remarks by Acting Secretary Herter¹

I am delighted to have the opportunity to speak for a few minutes about the North Atlantic Treaty Organization, which has as great significance to all Americans as it does to the peoples of the other free nations which have joined together in this unique alliance and community.

Ten years ago yesterday the 12 original signatories of the North Atlantic Treaty met in Washington and put their names to this document which has meant and continues to mean so much to our security.

Fundamentally, NATO was organized because of the threat from the Soviet Union. In the aftermath of World War II the Soviet Union, continuing to maintain a powerful military force, sought the piecemeal conquest of Western Europe by force or the threat of force. NATO's first task was to prevent the carrying out of such a threat, with all this would have meant to freedom everywhere. NATO has fully succeeded in doing this. It has done so by pooling and forging the resources of the member countries into a powerful defensive shield served by dedicated men from all the NATO countries working together every day of the year. Such a degree of military cooperation among 15 free nations has never before existed in time of peace.

Under present world conditions the maintenance and improvement of this protective shield continues to be the indispensable foundation on which the member nations can build collaboration in other fields.

But there are other sides to NATO, just as impor-

¹Made in introducing a special 10th anniversary Salute to NATO program on "College News Conference" which was carried by the American Broadcasting Company's television network on Apr. 5 (press release 247 dated Apr. 4, for release Apr. 5).

tant but not nearly so well known. For example, very few people realize that the Permanent Council of the North Atlantic Treaty Organization meets in Paris at least once a week, and often more frequently, to harmonize the policies of the members of the alliance on a wide variety of issues facing the free world. This process of political consultation has grown tremendously in the past 2 years. It is a process by which, through frank discussion and cooperation freely arrived at, the representatives of the nations of NATO achieve a truly remarkable degree of unity. It is vastly different from the dictatorially imposed monolithic unity of the Soviet bloc.

We should, of course, never cease in our efforts to develop further the habit of consulting and working together. But we should also understand the really dramatic nature of what we have already achieved. The degree of cooperation which the 15 member countries of NATO have developed in the last 10 years is something wholly new in history.

My special thanks to you, Mrs. Hagy.² Through many activities, by no means confined to this program only, have you contributed much toward better understanding of NATO.

I am also delighted that such distinguished statesmen of the NATO countries as Mr. Joseph Luns, the Foreign Minister of the Netherlands and this year's Honorary President of the North Atlantic Council, Mr. Couve de Murville, Foreign Minister of France, Mr. Selwyn Lloyd, Secretary of State for Foreign Affairs of the United Kingdom, and Dr. Heinrich von Brentano, Foreign Minister of the Federal Republic of Germany, have been able to take the time to appear on this program.

²Mrs. Ruth Geri Hagy is moderator of the program.

matic establishments, special committees, organs of the United Nations, and occasional meetings of responsible political leaders. No means are overlooked that give rise to promise of constructive results.

We shall continue these negotiations and discussions. We shall continue to make concrete and realistic proposals for disarmament, for a just solution of the problems of Germany, for European security, and for cooperation in the newly opening realm of outer space. Although we shall always avoid substituting illusion for reality, we shall continue to strive for a more general and

far-reaching, but always practical, settlement of differences with the Soviets.

The need, as we reach for a lasting peace with justice, is the abandonment of the Communist purpose of world domination. We shall never cease to encourage such a change. Meanwhile we must be prepared during the years ahead to live in a world in which tension and bickering between free nations and the Soviets will be daily experiences. So, to live confidently, freedom's greatest requirement is unity—the unity which is the very lifeblood of NATO.

On this base we propose to build the road lead-

ing toward lasting peace and universal justice.

Building this road will require courage—courage to stand fast in the face of menace and of threats.

It will require sacrifice—sacrifice needed to maintain and improve our collective strength over a long period of time.

It will require perseverance—perseverance to explore every avenue which offers reasonable hope for just solutions to the issues between ourselves and the Soviet Union.

All these qualities the free nations possess in full measure; we must never tire or weaken in our practice of them.

Those who respect the dignity of man will not flinch before the magnitude of the task. Rather they will prove once again that greatness of spirit and love of liberty will overcome the forces of atheistic materialism and coercion and give to all the nations, under God, the blessings of security along with a just and durable peace.

Thank you very much.

REMARKS BY ACTING SECRETARY HERTER

Press release 242 dated April 2

Secretary of State Dulles regrets that he could not be here in person this morning and asked me to extend to you his greetings and warmest best wishes and to tell you that during these days his thoughts will be very much with all of you.

Our meeting today marks the completion of 10 years in the life of the North Atlantic Treaty Organization and opens the 23d session of its Ministerial Council. Both milestones are significant.

The fact that this is the 10th anniversary symbolizes a decade without aggression against Europe and North America, a duration of peace made possible by the strength and firmness of the NATO shield. The fact that this is the 23d meeting of the Council is an indicator of the degree of cooperation and consultation, and the resulting unity, from which our strength and firmness have been forged.

To the Honorary President of the Council, to Secretary General Spaak, and to the members of the North Atlantic Council I offer a most cordial welcome. Greetings also to the NATO Military Standing Group and to the Military Committee

in Permanent Session. We recall particularly today those who signed the North Atlantic Treaty here in this hall on April 4, 1949,¹ and I extend a special welcome to those among the original signers who are here today. These comprise Secretary General Spaak, Foreign Minister Lange of Norway, Baron Silvercruys of Belgium, Ambassador Thors of Iceland, Ambassador Stikker of the Netherlands, former Ambassador Morgentstjerne of Norway, and former United States Secretary of State Dean Acheson.

Others who are not with us will also be remembered for their share in the conclusion of the North Atlantic Treaty 10 years ago. We Americans particularly remember the late Senator Arthur Vandenberg, whose leadership, with the overwhelming approval of the Senate, cleared the way for the United States to join associations for mutual defense in peacetime and thereby made possible our signing of the treaty. Others, such as Lord Ismay, our first Secretary General, will be recalled for their valued contributions to 10 years of strength and peace. I would especially acknowledge the high service rendered NATO by the first Supreme Commander of its forces in Europe, Dwight D. Eisenhower, who, as President of the United States, honors us with his attendance this morning.

There are two groups here today to which I wish to call particular attention for they symbolize two major elements of NATO's strength. There is the student body and faculty of the NATO Defense College in Paris, who are here on a training tour. In their varied uniforms they present a clear reminder of the military cooperation which forms the basis of our alliance. There are also with us representatives of individuals and organizations in various NATO countries who have helped to promote wide public understanding of the importance of NATO to our freedom and security. These groups and individuals symbolize the civil foundations of NATO's military strength. I am glad to welcome them and to express the gratitude of all of us for their service.

It is appropriate that we have gathered here not only to observe an anniversary but to open a working meeting. The accomplishments of the past have been splendid, and we are proud of

¹ BULLETIN of Apr. 17, 1949, p. 471.

them, but this is not a time for resting on our laurels.

The aggressive challenge which confronts us today is the same challenge we faced 10 years ago, the challenge which led to the creation of NATO; and the unity demanded for survival is the same. But the conditions of our world have changed in a decade.

Ten years ago many of the nations of our alliance were struggling to regain their feet economically in the aftermath of war. Today the countries of the Atlantic Community have made heartening economic progress and are striving for further gains.

Ten years ago common action and consultation among us in peacetime were first being tried out, tentatively and cautiously. Today these activities are increasingly established in our habits and in a growing number of our institutions.

Ten years ago the threat of aggression was naked and blunt. Today the threat is at times more subtle, varied, and devious but is no less dangerous.

If we are to meet the old challenge under the new conditions, therefore, we must continue to remind ourselves that military strength, and the courage to employ that strength if required, was necessary to permit a decade of political and economic advancement and is the indispensable condition for further progress.

We must also continue to develop and expand the habits of consultation and the channels of communication which have contributed so much to prosperity and peace.

And we must continue to adapt our defenses to whatever new forms the challenge may take; but at the same time we must remain ready to explore any chance for achieving through negotiations a genuine resolution of the issues which threaten peace.

So I welcome all our guests to this commemoration of 10 successful years in NATO, and I welcome the members of the North Atlantic Council to the opening session of its 23d meeting.

The people of America honor their comrades in NATO for their courage and devotion. They thank them for their priceless contributions to the search for peace. And they pray with them that this alliance, and the friendship of which it is the symbol and product, will endure and meet the

challenges of the next 10 years, and of 10 times 10, as it has in this first momentous decade.

STATEMENT BY MR. LUNS

It is my pleasure and honor to express to you, Mr. President, on behalf of the North Atlantic Council our deep gratitude to you, and through you to the people of your great country, for having the 10th anniversary meeting of the North Atlantic Treaty Organization in the capital of the United States of America.

Mr. President, you will certainly permit me to address from this rostrum our greetings and very best wishes to your Secretary of State, who to our deep regret could not be here today. We know with how much interest Mr. Dulles will be following our proceedings. We, on our part, want Mr. Dulles to know that we sincerely hope that an early recovery will enable him to join us again in the work to which he has constantly given his untiring devotion.

Very recently our colleague, the able member of the Council for Canada, His Excellency Mr. [Sidney] Smith, passed away. We shall greatly miss him. May he rest in peace.

Celebrating today the 10th anniversary of the North Atlantic Treaty Organization, it might be argued that 10 years is not a very long span of time, even in human affairs. And yet, to understand the full meaning of NATO's 10th anniversary, we will have to look back much further in the past. For the importance of our celebrations does not derive exclusively from those 10 years, crucial as they may have been. The meaning of NATO is intertwined with the very meaning of our civilization. It is against this historic background that we should assess the importance of this day.

I would like therefore to stress right at the outset that we in the West, partners in the North Atlantic Treaty Organization and members of a growing Atlantic Community, are deeply conscious of the bonds of a common heritage and culture without which our military arrangements would lack their deeper meaning and purpose.

In fact we are doing more than just protecting ourselves. Guarding the liberty of the individual, the dignity of man, and our philosophy of life,

we are, I believe, preserving a unique treasure for all mankind.

Two Worlds—One Free, One Communist

We all remember how, after the ordeals of the Second World War, there was a widespread belief in the emergence of an organized and stable world order, free from want, fear, and war.

We all know too well what really happened. I shall not dwell on the history of the United Nations or the many other endeavors to establish that one world. Although we in the West worked hard, we did not succeed; the vision of the one world that we had envisaged has faded away. There are now two worlds.

One—our own—is based on the intrinsic value of human personality, on the principle of the free and morally responsible human being with rights and duties and aspirations which transcend any given social order.

The other world—the Communist world—is based on the opposite principle. There, the human personality does not count and there is nothing beyond a social order.

We could look perhaps with a certain detachment upon an ideology so alien to ours were it not for the fact that one of its dogmas is the historic mission to spread communism and the Communist system over the whole world and by all means including, if necessary, direct armed aggression.

Maybe, if public opinion in the years 1945 to 1948 had been more familiar with this fundamental aspect of communism and if we all had had in those days the wisdom that painful experience has taught us since, we might have avoided some dangerous mistakes and have stemmed the tide of Communist imperialism earlier.

However, when our countries gradually began to realize the real nature of Soviet expansionism of the postwar period, they set to work to achieve collective security on a regional basis. NATO was born.

Internal Defense and External Security

Looking back on the 10 years elapsed since then, we should ask ourselves to what extent NATO has been successful. Into what has it grown? What are its prospects? Let me try to draw up a balance.

It seems right to make a distinction between our internal defense and our external security. First, then, our internal defense. To achieve the aims of our alliance the maintenance and building up of a decent socioeconomic structure and thereby the prevention of civil strife was as urgent as the building up of our military forces.

Indeed social justice and cohesion, sound economics, and stable governments are still the most effective way internally to frustrate communism. Let me therefore pay a warm and grateful tribute to the United States of America, which, at a crucial moment, through the imaginative and timely intervention of the Marshall plan made European recovery possible and revived courage and confidence in Europe. Truly an act of unsurpassed statesmanship!

It would be hard to overstress the importance of the Marshall aid. It is largely due to its beneficial effects that by now even diehard Communists have had to admit that the chances of conquering any of our countries from within have become very slight indeed.

Inter alia, could there be a more convincing example than that of the two social systems confronting each other in Berlin? The contrast between the Western part, a thriving prosperous city with excellent social conditions and fully enjoying our Western standards of individual freedom, and the Communist part, devitalized, economically poor, and its citizens firmly controlled in all their activities, is indeed striking. This contrast, so damaging to the whole Communist system, is doubtless at the root of the present Soviet-provoked crisis round the city.

In this connection I would like to stress that, whatever one's judgment about European economic supranational integration or intergovernmental cooperation—and I think that this judgment depends only on the degree of cohesion one deems necessary for Europe's ultimate survival—it is certain that a strong and united Europe will have an added importance in the NATO alliance and in the defense of the Western World.

I submit in this respect that a progressive implementation of the recommendations, based on article 2 of the treaty, of the Committee of Three,² stressing the need of a closer economic cooperation between the partners, deserves our renewed

² For text of report of the Committee of Three, see *ibid.*, Jan. 7, 1957, p. 18.

and utmost attention both by the appropriate organs of our organizations as well as by our individual governments.

The other aspect of Western defense—that of our external security—shows, without doubt, solid achievements. The buildup in Europe of shield forces as an essential element in our defense system has in fact greatly contributed to halt the Soviet advance at the lines reached in 1949.

However, there can be no reason for complacency. Our commanders still lack the necessary number of forces to fully implement our concept of a forward strategy in Europe. And yet this remains their principal task and duty.

Looking at the present-day situation it is clear that our peoples must be prepared to make at least the same sacrifices for military defense as hitherto, because in the foreseeable future there will be no security for the free world unless NATO has the strength needed to deter aggression and also to defeat Soviet efforts to attain their objectives by using the political weapon of military threats.

Developing the Atlantic Community

The experiences of two world wars have furthermore demonstrated how strongly the security of the West depends on the closest possible cooperation between both sides of the Atlantic. The manifold bonds, both formal and informal, binding us should strongly contribute to developing what is called the Atlantic Community.

This could not better be expressed than it was done by President Truman, just before the signing of the North Atlantic Treaty on the 4th of April 1949:³

The nations represented here are bound together by ties of long standing. We are joined by a common heritage of democracy, individual liberty, and the rule of law. These are the ties of a peaceful way of life. In this pact we merely give them formal recognition.

The past 10 years' practice of day-to-day work in Council and committees has confirmed this congeniality of spirit and unity of aims. In the practical field it has found expression in the endeavors to harmonize our foreign policies. However, although progress has undoubtedly been made in this respect, we cannot be blind to the fact that achievements are not yet equal to requirements.

Although the process of harmonizing the for-

eign policies of 15 free and independent nations—each with its own responsibilities in so many and various fields—is not an easy one, I nevertheless think to be justified in saying that our Atlantic solidarity should not be confined to the NATO area but should also find its expression with regard to problems in other parts of the world.

With full understanding for the special responsibilities which some of our partners carry, owing to their powerful position, we on our side of the Atlantic feel entitled to a fuller measure of comprehension and support in our efforts to solve our non-European problems.

Although our attention is naturally concentrated on problems and areas most directly affected by the tension and dangers of the East-West controversy, we must remain conscious of the fact that our Atlantic Community has its place as a constructive element in the community of all free nations. In Asia and Africa we are witnessing the birth of many new states, most of which have had close ties with Europe. Some have taken a positive stand in the East-West controversy; others are neutral; a few show Communist sympathies. Practically all of them belong to the so-called underdeveloped areas of the world. There is one of the most important battlefields of the ideological struggle.

The relations between Asia and Africa, on the one hand, and the Atlantic world, on the other, form one of the most vulnerable aspects of the free world. They and we have to solve together the delicate problem of trying to live and work with our differences and in spite of them. At the same time communism is continuously intriguing, fanning suspicion, and fomenting anti-Western movements. The West should face the difficulties in those continents with something like the same unity of purpose that has characterized its post-war policies in Europe.

Exposing Nature of Communist Menace

Let us finally not forget the immense moral resources of our free democratic world embodied in the support of an enlightened public opinion. It is our duty to expose again and again to our peoples not only the true nature of the Soviet menace but in particular the basic aims and policies of our alliance in clear, straightforward, and easily comprehensible terms.

Whereas behind the Iron Curtain practically

³ *Ibid.*, Apr. 17, 1949, p. 481.

only the point of view of the Communist governments is being heard, the existing freedom of press and opinion in our democratic countries allows the Soviet Union to appeal directly to our public opinion. As I have said before, the chances that Communist ideology would upset the existing democratic political structure by means of persuasion are nonexistent. The use of threats, however, particularly in the form of repeated announcements by Soviet leaders that a third world war may be the result of a Western refusal to make certain so-called "reasonable" arrangements, might eventually have some effect on public opinion unless it is kept well informed of the real situation.

We should not assume that our peoples are wholly immune against a state of mind to be described as weariness, if we wish to be kind, or as defeatism, if we prefer to put it strongly. There have always been people questioning the value and vitality of our civilization. They are prophets of woe. Time and time again they will rise and tell us that the end of Western civilization is near and that defense against inescapable fate is useless. Some are honest men, with noble hearts, unable to face the idea of conflict and sincere in their pacifism. Some, on the other hand, are crypto-Communists or fellow travelers. But most of them are just frightened men, whose will and stamina are not strong enough to endure the continuous tensions of the cold war. They have lost their will to resist. They are weary, tired, and weakened. They say they want peace. They ask for defeat. Their mentality comes very near to neutralism.

Communism uses these people. It cajoles them, approaches them directly over the heads of governments, and assures them that Western concessions, withdrawal, disengagement will open the way to lasting peace.

When we appeal to the common sense of public opinion in our countries, let us stress that defeatism has never been able to preserve peace and that most disengagement plans are essentially Communist creations, designed to neutralize Germany, to make Western Europe defenseless, and to force the withdrawal of allied troops from the Continent—in other words, to deprive Europe and the alliance of the main pillars on which peace rests.

As far back as 1853 Marx gave the following expert advice on how to handle Russia: "There is

only one way to deal with a power like Russia and that is the fearless way."

In conclusion I believe that, when looking at the world and the place of our Atlantic Community therein, we may without complacency feel proud and grateful. History teaches us that achievements obtained in age-long exertion can only be preserved as long as one is also prepared to make the sacrifices necessary for their defense and further development.

If we abide by that lesson and put our faith in Him in whose "hand are all the ends of the earth," we may look forward with quiet confidence to the future.

STATEMENT BY MR. SPAAK

In inviting the North Atlantic Council to celebrate, in the very place in which the treaty was signed, the 10th anniversary of our alliance, the United States Government has made a gesture which we greatly appreciate.

The solemn meeting we are holding today is thereby given greater luster, and the fidelity to which it testifies will thus be still more strongly impressed on the minds of our peoples. However, our return to Washington after 10 years is not merely of symbolical value; it does more than afford us an opportunity of reaffirming our principles and our purpose. It also enables us the better to recall the conditions which attended the creation of our alliance; it invites us to look back at the distance already covered and to measure the road ahead of us.

The anniversary we are celebrating, therefore, turns our thoughts to the foundation of our union, to the results obtained, to the present trend of our efforts, and to what is at stake. These are salutary thoughts not only because they throw light on the historical significance of the Atlantic Alliance but still more because they make us feel the full weight of our responsibility and the importance of our tasks.

Ten years ago the North Atlantic Treaty gave practical expression to the union of 12 countries and to their common determination to resist any act of aggression. Today this union and this determination appear to us so natural and so necessary that we can no longer conceive for our peoples a free and peaceful existence without them. Yet we did not seek this union when the war

ended. It was imposed on us by the dangerous, unacceptable policy followed by the U.S.S.R. We have the right to say so.

After the war had ended the countries of Western Europe turned to the hard tasks of reconstruction. The United States and Canada repatriated and disbanded their armed forces. For the maintenance of peace and security we counted on agreement between the largest of the victorious countries and on the new United Nations Organization. You know how these hopes were disappointed. By outright annexations, by military pressure, by subversion, the U.S.S.R. has acquired dominion over half of Europe; by abuse of the veto, it has reduced the United Nations to impotence; finally, it has maintained huge armies on a war footing. In 1948 the Prague coup d'état dissipated the last illusions and forced us to look facts in the face: The Soviet Union was out to conquer the remainder of Europe. It was forcing communism on an increasing number of countries against the will of the vast majority of their inhabitants. Nothing but the union of the peoples who were still free could arrest this perilous action.

Alliance With the United States

However, even by pooling all their resources, the countries of Western Europe could not hope successfully to frustrate the Soviet plans. To make up for the disproportion between the respective forces, the assistance of the United States was required, and such assistance, on account of its many political and military implications, called for an alliance.

This alliance with the United States, the 10 years on which we are now looking back have accustomed us to regard as a basic, permanent element of Western policy. We are apt to forget that, for Americans, it represents what almost amounts to a revolution. We are in justice bound to recall today the efforts which the United States had to make before it could link its fate with that of Europe.

George Washington in his political testament had urged his countrymen to contract no alliance with the countries of the Old World and to keep aloof from its quarrels. President Monroe, for his part, had also obtained acceptance of the principle of the noninterference of either of our continents in the affairs of the other. The United

States was determined to work in peace at the construction of a new world and not to become entangled in the centuries-old squabbles of Europe.

Yet twice in a quarter of a century the United States has had to intervene by force of arms in lands on the far side of the Atlantic.

We must pay tribute to the men who, during the difficult postwar years, directed the affairs of the United States. Their country had just accomplished a tremendous effort; victory had been won, Europe liberated. How could the public recognize the need for new commitments and further sacrifices for the benefit of a continent so far away? It is to the honor of the American nation and its leaders that they should at that time have been so fully aware of what the new situation demanded and that, since then, they should so resolutely have accepted the responsibilities it implied.

Aid to Greece and Turkey, together with the Marshall plan, marked the initial phase of this new policy—a vital phase for the recovery of the West.

Nevertheless, the conclusion of an alliance while peace prevailed was very different from supplying funds, even on a very generous scale. It meant a partial deviation from an exclusively individualistic policy; it implied the acceptance of immense risks and responsibilities. It involved, almost of necessity, sending overseas large contingents of armed forces. Only at this price could the safety and freedom of Europe be secured. However, it was also the price which had to be paid for the safety and freedom of America, for whom the establishment of Communist domination on the opposite side of the Atlantic would have constituted a mortal danger. Finally, it was the price of peace, which could not long have withstood the combined effects of Soviet expansionism and the disproportion between the forces.

In forming our alliance, what we had in mind for our countries was peace and security, but to achieve these aims it was not enough to proclaim our desire for union and our solidarity in the face of the peril. We had to give effect to them by a continuous effort: Common defenses had to be built up; we had ceaselessly to maintain the unity of views and action without which we would have been unable to thwart the designs of our adversaries; finally, we had to increase the powers of

resistance of our community in the political, economic, and social fields and to arrange between ourselves, mainly in Europe, for closer cooperation.

Success of the Alliance

After a long haul we perceive today that all these conditions have been fulfilled, wholly or in part. That explains the success that has attended our undertaking.

Our first task was to insure joint defense—a tremendous task owing to the gigantic requirements to be met, the poverty of our resources, the constant revolutionary changes in armaments. The alliance succeeded in finding an acceptable solution to this difficult problem: The combination of a shield protecting Europe with the strategic nuclear weapon has restored, between East and West, the balance of forces. Our defensive system is now strong enough to deter any act of aggression.

The next task was maintenance of our unity. Since the establishment of the alliance the Soviet Union can no longer hope to subjugate the Western countries one after the other by military pressure and subversion. It has therefore sought to achieve its ends, which are unchanged, by other means: It has tried to divide us, to undermine our resistance, to weaken and outflank the Western positions in other parts of the world. To this vast offensive, pursued with tactics ceaselessly renewed, we have been able to reply, largely by intensified political cooperation. Thanks to permanent consultation in the Council, the members of the alliance have upset the maneuvers designed to divide us and have insured the unity of their views and action on all the major issues brought up by the U.S.S.R.

Then, too, the NATO countries, during the past 10 years, have built up a strong home front. Economic progress has raised living standards and, by and large, eliminated social unrest. Communist influence has very largely subsided.

But to insure even greater success for our undertaking it was essential to base it on an even closer union of these European countries whose divergencies and conflicts are at the root of our problems. The alliance itself was a constant reminder of the necessary solidarity, while at the same time producing the conditions of security propitious

for new and fruitful experiments in cooperation.

For instance, it was within the NATO framework that it proved possible to solve the problem of obtaining Germany's participation in joint defense; it is behind our sheltering shield that we have been able to start the construction of a united Europe; it is largely due to the new political consciousness thus developed that the major accomplishment of reconciling France and Germany has proved possible. NATO has, to a very high degree, made these changes possible. Without them, the Atlantic Alliance would not be what it is. It would lack the great strength it derives from a Europe which has regained its self-confidence and whose vital forces are all harnessed to the common task.

Preserving the Spirit of the Alliance

The conditions which have enabled us so far to preserve peace and security are also the only ones whereby they can be preserved in the future. The success of the alliance will be borne out in the coming years if we pursue the task in which we are engaged in the same spirit of unity and with the same desire for effective cooperation.

We cannot afford to relax in our efforts. On the contrary, circumstances demand that we should be even more vigilant. The U.S.S.R. is ceaselessly strengthening its military power. The arena of the contest between the West and the Communist bloc is now worldwide. Furthermore, Soviet diplomacy is again launching a large-scale political offensive against Europe itself. By again raising the issue of the status of Berlin and by handling the German question as it has, Moscow is playing a game in which the ultimate stake is the very existence of our European political institutions and defense system.

We must therefore, even more resolutely than before, intensify our collective defense effort, strengthen our political solidarity, and extend our cooperation to all fields in which our common interests are involved.

This firmness, this resolve to defend our positions and our rights, must never blind us, however, to the need for seeking positive solutions to the problems confronting us or lead us to forget that negotiation is the only means of reaching them. We must therefore make a constant effort to be unbiased and understanding. We must cast about for honorable compromises. This is the right

way to remain true to the spirit of the alliance and to the basic principles of our civilization.

The collective effort we have made has already, in the space of 10 years, radically altered the character of the Atlantic Alliance. From being a mere defense pact, it has gradually become the core of a union without precedent within which 15 nations are doing their utmost jointly to protect their vital interests. It constitutes, in a world in the grip of fear and confusion, the essential factor of equilibrium and peace. While defending our countries, it is at the same time defending the principles of justice and freedom which are the heritage of our civilization and which, throughout the world, are acknowledged by many to be their own.

The Atlantic Alliance is therefore much more than a fortuitous political combination created to meet a passing need.

The crucial importance of the stakes, the identity of principles and interests, the links forged every day by our collective task, all conduce to the development among us of a true community. This community must draw greater strength, within the legal framework of our alliance, from closer cooperation and a more acute awareness of our interdependence. It alone can enable us to cope successfully with the obstacles on the road ahead.

Let us hope that later the ominous horizon around us will clear. But even in a world at peace, with no further need of alliances, our community would outlive, possibly in a different form, the circumstances to which it owes its birth, for it gives concrete expression to the deep unity underlying its ideals and civilization and to the solidarity of the essential and permanent interests of the peoples bound together by the North Atlantic. Thus the union of the countries of the West, firmly welded together by our patient efforts, would endure as one of the necessary bases of a universal organization dedicated to peace.

TEXT OF COMMUNIQUE

1. The fifteen Foreign Ministers of the North Atlantic Council ended their meeting in Washington on 4th April, 1959, the 10th Anniversary of the signing of the Treaty.

2. The Council discussed the present international situation, in particular the question of Berlin and the forthcoming negotiations in Geneva relating to Germany. It also reviewed the progress of the Alliance during its first

ten years, its present state, and the prospects of future development.

3. The Council received a report from the four Powers with special responsibilities for the German question on the present state of their thought in regard to the problems which will be discussed during the forthcoming negotiations with the Soviet Union.⁴ A full discussion took place on the basis of this report. The points of view expressed will be taken into account during the consultations which will follow during the weeks to come.

The Council expressed its full agreement on the broad lines of the policy to be pursued. Whilst stating its desire to see outstanding problems solved by negotiation, the Council confirmed its unanimous determination to maintain the freedom of the people of West Berlin and the rights and obligations of the Allied Powers, as expressed in the Council's declaration on Berlin of 16th December, 1958.⁵

4. In a review of the political situation in other parts of the world, the Council discussed the various forms of pressure which international communism continues to exercise on the Free World. This pressure represents a threat not only to member nations but also to many other free countries, including some whose independence has only recently been established.

5. In considering the development of the Alliance and its future prospects, the Council agreed that the basic reasons which led to the signature of the North Atlantic Treaty in 1949 remain valid today. The North Atlantic Alliance, which has succeeded in maintaining peace and in safeguarding the security of member countries during the past ten years, remains an essential condition of their freedom. For this reason, and having in mind the present dangers, the Ministers reaffirmed the determination of their Governments to maintain their common defence effort. At the same time, they endorsed the view that the principle of interdependence must be further developed in order that the best use may be made of the available resources for defence.

6. In this connection, the Council had before it a report by the Secretary General on the working of the Alliance, in which he stressed the need to consolidate the security of the West against the world-wide challenge with which it is faced. The Council endorsed the Secretary General's call for a further impetus to be given to the work of the Alliance, and recognised the need for increased collective action in regard not only to political consultation and the common defence effort but also to certain aspects of economic, scientific, cultural and information work.

7. In conclusion, the Council recognised that the Atlantic Alliance has proved its vital importance during the past ten years and has helped to stimulate the sense of community amongst member nations. The Council expressed its confidence that the Alliance will continue to develop as the indispensable basis for the security of the Atlantic peoples and the defence of world peace. It believes also that the unity of action and policy which the Alliance makes possible is the best guarantee of

⁴ See p. 554.

⁵ For text, see BULLETIN of Jan. 5, 1959, p. 3.

successful negotiation with the Soviet Government and of any genuine resolution of differences between the East and West.

U.S. DELEGATION

Press release 228 dated March 27

The U.S. Representative to the Ministerial Meeting of the North Atlantic Council scheduled to be held at Washington, D.C., April 2-4 will be Acting Secretary of State Christian A. Herter.

Senior members of the U.S. delegation are:

Loftus E. Becker, Legal Adviser, Department of State
Andrew H. Berding, Assistant Secretary of State for Public Affairs

W. Randolph Burgess, U.S. Permanent Representative to the North Atlantic Treaty Organization

Philip J. Farley, Special Assistant to the Secretary of State for Disarmament and Atomic Energy

John N. Irwin II, Assistant Secretary of Defense for International Security Affairs

Livingston T. Merchaut, Assistant Secretary of State for European Affairs

Frederick E. Nolting, Jr., Deputy U.S. Permanent Representative to the North Atlantic Treaty Organization and European Regional Organizations

G. Frederick Reinhardt, *coordinator*, Counselor, Department of State

Gerard C. Smith, Assistant Secretary of State for Policy Planning

The delegation also includes the following:

Russell Fessenden, Deputy Director, Office of European Regional Affairs, Department of State

William M. Gibson, Director, Office of International Conferences, Department of State

Martin J. Hillenbrand, Director, Office of German Affairs, Department of State

Robert H. Knight, Deputy Assistant Secretary of Defense for International Security Affairs

Geoffrey W. Lewis, U.S. Mission to the North Atlantic Treaty Organization and European Regional Organizations

B. E. L. Timmons, Director, Office of European Regional Affairs, Department of State

Letters of Credence

Pakistan

The newly appointed Ambassador of Pakistan, Aziz Ahmed, presented his credentials to President Eisenhower on March 23. For texts of the Ambassador's remarks and the President's reply, see Department of State press release 212.

Western Foreign Ministers Meet To Discuss German Problem

Following are two statements regarding a series of meetings on the German problem held at Washington, D.C., on March 31 and April 1 by France, the Federal Republic of Germany, the United Kingdom, and the United States. The first session was attended by Maurice Couve de Murville, Foreign Minister of France, Selwyn Lloyd, Foreign Minister of the United Kingdom, and Christian A. Herter, Acting Secretary of State of the United States. They were joined in subsequent sessions by Heinrich von Brentano, Foreign Minister of the Federal Republic of Germany.

JOINT STATEMENT OF MARCH 31¹

The Foreign Ministers of France and the United Kingdom and the Acting Secretary of State of the United States met this afternoon from 2:50 to 4:35 for a discussion of the problem of Germany including Berlin. Among other topics the Ministers discussed the March 30th reply of the Soviet Union. The three Ministers noted with satisfaction the Soviet acceptance of their proposals² to hold a foreign ministers meeting in Geneva beginning May 11 provided this is acceptable to the Swiss Government. They recalled that in their notes they had made clear their position with respect to the relationship of a foreign ministers conference to a summit conference and also regarding the question of German advisers.

Following a short recess the Foreign Ministers of the Federal Republic of Germany, France, the United Kingdom, and the Acting Secretary of the United States met to discuss further the problem of Germany including Berlin. Among other topics they began a review of the report³ of the quadripartite Working Group which met in Paris from March 9th to 21st.⁴

¹ Read to news correspondents on Mar. 31 by Andrew H. Berding, Assistant Secretary of State for Public Affairs.

² For an exchange of notes between the United States and the Soviet Union, see BULLETIN of Apr. 13, 1959, p. 507.

³ Not printed.

⁴ For background, see BULLETIN of Mar. 2, 1959, p. 297, and Mar. 23, 1959, p. 406.

Following a comprehensive cordial exchange of views the Ministers agreed to pursue their conversations further tomorrow [April 1].

FOUR-POWER COMMUNIQUE, APRIL 1

Press release 240 dated April 1

The Foreign Ministers of France, the Federal Republic of Germany, and the United Kingdom, and the Acting Secretary of State of the United States have concluded a series of useful meetings in Washington March 31 and April 1. They reviewed the report of the quadripartite Working Group, which met in Paris from March 9 to 21, as a basis in preparing for the foreign ministers conference with the Soviet Union scheduled to be held in Geneva beginning May 11. They provided guidance to the quadripartite Working Group for its next series of meetings scheduled to begin in London on April 13. The Ministers decided on the form of a report which will be made to the NATO Council Thursday afternoon [April 2].⁵

The Ministers conducted their discussions concerning Berlin on the basis of their declaration contained in the four-power communique on Berlin issued in Paris December 14, 1958⁶—with which the North Atlantic Council associated itself.

The Ministers agreed to meet again in Paris beginning April 29 in further preparation for the conference with the Soviet Union. A report on the substance of those discussions will be made to the North Atlantic Council. All these preparations are based on a sincere desire to negotiate constructively with the Soviet Union in the interests of world peace.

U.S. and U.S.S.R. Exchange Notes on Damage to Submarine Cables

Following is an exchange of notes between the United States and the Soviet Union concerning damage done from February 21 to 25 to five trans-

⁵ A Ministerial Meeting of the North Atlantic Council was held at Washington, D.C., from Apr. 2 to 4.

⁶ For text, see BULLETIN of Dec. 29, 1958, p. 1041.

atlantic submarine cables, together with the text of a U.S. aide memoire of February 28.

U.S. NOTE OF MARCH 23¹

Press release 211 dated March 23

The Embassy of the United States of America refers to the Ministry's note No. 17/OSA, dated March 4, 1959 concerning recent breaks in certain transatlantic submarine telecommunication cables and the consequent visit to the Soviet trawler *Novorossiisk* by a boarding party from the U.S.S. *Roy O. Hale*, which was the subject of the Embassy's aide memoire of February 28, 1959.

The Ministry's note states in substance that the Government of the Union of Soviet Socialist Republics (1) in accordance with information available to it denies that the Soviet trawler *Novorossiisk* was responsible for the reported breaks in the transatlantic submarine cables; (2) that in its opinion the United States naval vessel U.S.S. *Roy O. Hale* had no reason to detain and inspect the Soviet trawler *Novorossiisk*; and (3) that based on articles which have appeared in the American press concerning the purpose of the presence of a Soviet fishing vessel in this region the detention of the Soviet trawler was undertaken with "provocative purposes". The note concludes that "The Soviet Government protests against the detention and inspection of the Soviet fishing trawler *Novorossiisk* by the American naval vessel and anticipates that the Government of the United States will take all necessary measures to prevent further such completely unjustified actions with respect to Soviet fishing vessels engaged in the fishing trade in waters of the open sea."

For the reasons set out hereinafter the United States Government considers there is no basis for a protest in this case and the Soviet protest is therefore rejected. Furthermore, the United States Government is surprised that the Soviet Government should make a charge that the detention of the Soviet trawler was for "provocative purposes" with no other basis than apparent irritation at articles in American newspapers speculating on the purposes of Soviet trawlers in certain waters. As the Soviet Government well knows, the American press is free within legal

¹ Delivered on Mar. 23 to the Soviet Ministry of Foreign Affairs by the American Embassy at Moscow.

limits to publish its opinions and these do not engage the responsibility of the Government. Charges based on such flimsy support are not themselves calculated to further friendly relations.

The facts of the matter are as follows.

During the period February 21 through February 25, 1959, communications were disrupted by damage to five transatlantic cables in the Newfoundland area located within a rectangle bounded by the following coordinates: latitude 49°24' N., longitude 50°12' W.; latitude 49°32' N., longitude 49°48' W.; latitude 50°13' N., longitude 51°00' W.; latitude 50°22' N., longitude 50°36' W.

The first break occurred on February 21, 1959, at 10:43 a.m., eastern standard time, in the transatlantic cable owned and operated in part jointly with a Canadian company by the American Telephone and Telegraph Company, a United States corporation having its head office at New York, New York. The cable has its west terminus in Newfoundland and the east terminus in Scotland, and is ultimately connected with the United States of America by submarine cable and radio relay.

The second break occurred on February 24, 1959, at 2:20 p.m., eastern standard time, in the transatlantic cable 1-VA, connecting Newfoundland and Ireland. The third break occurred on February 25 at 2:50 a.m., eastern standard time, in the transatlantic cable 3-PZ connecting Newfoundland and England. The fourth cable break occurred on February 25 at 11:20 a.m., eastern standard time, in cable 2-VA connecting Newfoundland with Ireland. The fifth break occurred on February 25 at 4:20 p.m., eastern standard time, in the transatlantic cable 4-PZ connecting Newfoundland and England. These four submarine cables connect ultimately with the United States, and are owned and operated by The Western Union Telegraph Company, a United States corporation with its head office at New York, New York.

Subsequent examination showed that there were a total of twelve breaks in the five cables. Nine of these were tension breaks and three were man-made cuts severing the cables.

Aerial observation conducted by the American Telephone and Telegraph Company sighted the Soviet trawler *Novorossiisk* RT-99 on the morn-

ing of February 25, 1959, in the approximate position latitude 49°34' N. and longitude 50°0' W., steaming on a southerly course at a speed of about three knots. No other vessels were visible at the time in the immediate vicinity. The aircraft succeeded in dropping a note on the deck of the trawler *Novorossiisk* advising it that it had cut four cables and requesting that it cease trawling in the area.

The Government of the United States, acting under the provisions of Article X of the Convention for the Protection of Submarine Cables, of 1884,² to which both the United States and the Union of Soviet Socialist Republics adhere, and also in conformity with United States law (47 United States Code, Section 26), implementing the convention, on February 25, 1959, dispatched the United States radar picket escort U.S.S. *Roy O. Hale* to the area to investigate the reported breaks in the submarine cables. On February 26, 1959, about 11:55 a.m., eastern standard time, the Commander of the U.S.S. *Roy O. Hale* sent a party consisting of one officer and four enlisted men, without arms, aboard the Soviet trawler *Novorossiisk*. At the time of the visit the trawler was in position latitude 48°26' N., longitude 49°10' W. There were no other ships in the immediate vicinity.

The last four cable breaks referred to above were all located within 14 miles of each other and were each within a 12-mile radius of the observed position of the trawler *Novorossiisk* on February 25, 1959, with the nearest two breaks no more than five miles distant. The five reported cable breaks all occurred within a radius of 52 miles of one another. (All references are to nautical miles.) A line joining the last four reported positions of the breaks is a straight line with the breaks occurring in succession in the direction of approximately 160° T. A vessel in that vicinity trawling in a general southerly direction during the period in question would have been in the locations necessary to cause the breaks.

The boarding officer, communicating by means of French through an interpreter, duly informed and explained to the master of the trawler *Novorossiisk* the purpose of his visit and his authority to do so under the provisions of the convention

² 24 Stat. 989; 25 Stat. 1424.

of 1884. He examined, with the consent and acquiescence of the master, the papers of the trawler which appeared to be in order.

The boarding officer found that the latitude and longitude which the trawler *Novorossiisk* recorded in her journal for the previous days' positions also showed her to have been in the immediate vicinity of all five cable breaks. Upon request, the master produced the message dropped on the deck of the trawler on the previous day from the aircraft of the American Telephone and Telegraph Company. On the basis of the foregoing evidence, the boarding officer concluded that an examination of the fishing gear and equipment was justified to determine whether the trawler was capable of causing the cable breaks.

The unarmed boarding officer, with the consent of the master of the trawler, observed without deep examination, on the upper main deck of the trawler only, the trawling equipment and fishing gear. The boarding officer noted that the trawling equipment was of the type for deep sea fishing, and was in general fairly new, with the exception of the otter boards and net discs which were well worn and in poor condition. The trawling cable was estimated to be about 300 fathoms in length, sufficiently long enough to drag the gear on the bottom at the depth in the area—about 180 fathoms. Two broken sections of trawling cable each about 60 feet in length were observed wrapped around the hatch on deck. The four ends of these cables were shredded and frayed and appeared to have parted as a result of a sudden strain such as could have been caused by snagging the gear. These sections are identical in type, age, and condition with the trawling cable. Some of the fish observed lying frozen on the deck were of the bottom type.

The visit on board the trawler lasted about 70 minutes, and was completed at 1:05 p.m., eastern standard time. At the time of his departure the boarding officer made the following entry in the trawler's journal:

1355—The *Novorossiisk* (PT-99) motor vessel has this date been visited by me at Longitude 49°10' W, Latitude 48°26' N and at 1355 (time + 3) 26 February 1959. I have examined the ships papers and found them to appear regular, but the presence of a message drop regarding cut "submarine" cables signed by Capt. R. Cooper, A/C CF-CRP indicated further investigation of fishing equipment required. All papers sighted bear my signature. The

Captain consented to such further inspection but appeared dubious of the number of men to inspect.

/s/ D. M. SHEELY
Lt., U.S. Navy

1440—Completed Inspection and departed.

/s/ D. M. SHEELY
Lt., U.S. Navy

A preliminary report emanating from the cable repair ship *Lord Kelvin* which has since repaired the first broken cable states that the eastern portion of the damaged cable had been badly scraped and scuffed for about a mile east of the break. The cable had been severed by cutting. The technical opinion is that such evidence indicates that a trawler had picked up the cable with its drag, then having pulled it on deck, had cut it to release the nets.

The protection of submarine telecommunication cables on the high seas constitutes an international obligation. The locations and presence of the transatlantic submarine cables that have been cut are widely known among world fishing and maritime circles. They are shown and marked on United States admiralty and navigation maps which are available to the general public.

The above-stated record of events shows that, contrary to the assertions and charges made in the above-mentioned note of the Union of Soviet Socialist Republics, the visit to the Soviet trawler *Novorossiisk* under the circumstances shown was entirely justified and was in every respect in accordance with international law and applicable treaty provisions.

The Government of the United States is satisfied that the evidence in its possession raises a strong presumption that the master and crew of the Soviet trawler *Novorossiisk* have violated Article II of the convention of 1884 above-mentioned which provides that "the breaking or injury of a submarine cable, done wilfully or through culpable negligence, and resulting in the total or partial interruption" of telegraphic communication shall be a punishable offense.

Article VIII *et seq.* of the convention place the responsibility for the repression of these violations of the convention and trial and punishment of the violators on the Soviet Union. Therefore, the Government of the United States calls upon the Government of the Union of Soviet Socialist Republics to discharge its interna-

tional obligations as summarily as its laws and regulations will permit, by promptly making such investigations and taking such measures as are necessary to punish those who may be found to be guilty.

The Government of the United States reserves the right to make such claims for damages as may be found to be warranted.

The Government of the United States further expects that the Government of the Union of Soviet Socialist Republics will take effective measures to prevent Soviet fishing trawlers on the high seas from damaging or cutting submarine cables in the future.

The Government of the United States further states that it will continue to fulfill its international obligations with regard to the protection of submarine cables.

SOVIET NOTE OF MARCH 4

Unofficial translation

No. 17/OSA

The Ministry of Foreign Affairs refers to the aide memoire of the United States Embassy of February 28 concerning the detention and inspection of the Soviet trawler *Novorossiisk* on February 26 by an American naval vessel and considers it necessary to declare the following:

According to information available to competent Soviet organs the Soviet trawler *Novorossiisk* was engaged in fishing in the open sea in the Northern Atlantic Ocean and caused no damage of any kind to the underwater telegraph or telephone Trans-Atlantic cables. Reports concerning this question appearing in the American press are figments of the imagination.

Consequently, the American naval vessel *R. O. Hale* had no reason for detaining and inspecting the aforementioned Soviet trawler. Attention must be called to the fact that these actions of the American authorities were undertaken specifically with respect to a Soviet vessel at a time in the region of Newfoundland when there were hundreds of vessels from other countries engaged in fishing and, as reported, many of which have more than once damaged Trans-Atlantic cables.

The Soviet Government cannot ignore the fact that in connection with the above-indicated actions of the United States authorities numerous reports have appeared in the American press containing various anti-Soviet fabrications concerning the purpose of the presence of a Soviet fishing vessel in this region. These articles in the American press are of such a kind that the impression is unavoidable that all this venture with the detention of the Soviet trawler was undertaken with provocative purposes. Not the least among these purposes is an attempt to strain Soviet-American relations.

It is impossible in this connection not to draw attention to the responsibility which the American Government takes upon itself by taking such steps.

The Soviet Government protests against the detention and inspection of the Soviet fishing trawler *Novorossiisk* by the American naval vessel and anticipates that the Government of the United States will take all necessary measures to prevent further such completely unjustified actions with respect to Soviet fishing vessels engaged in the fishing trade in waters of the open sea.

U.S. AIDE MEMOIRE OF FEBRUARY 28

The Embassy of the United States of America has been instructed to inform the Ministry of Foreign Affairs of the Union of Soviet Socialist Republics of the following.

Between February 21-25, 1959, four telegraphic and one voice transatlantic cables were damaged and put out of service. Aerial investigation disclosed that the Soviet trawler *Novorossiisk* No. RT-99 was in the area of these cable difficulties.

In accordance with the "Convention for Protection of Submarine Cables" of 1884, to which the Soviet Union and the United States are parties, a U.S. naval vessel put a visiting party on board the *Novorossiisk* on February 26 to investigate whether the trawler had violated the Convention.

After discussion with the trawler Captain and examination of the log, the boarding officer from the U.S.S. *R.O. Hale* made an appropriate entry in the journal of the trawler as required by Article X of the Convention and the visiting party left the vessel. The trawler's log indicated that the ship had been in the area of cable damage at the time of the last service interruption. It is understood that the trawler proceeded on its way without delay.

A cable repair ship is en route to the area of cable damage for final investigation and repair.

EMBASSY OF THE UNITED STATES OF AMERICA,
February 28, 1959.

King Hussein I of Jordan Visits United States

The Department of State announced on March 19 (press release 204) that King Hussein I of the Hashemite Kingdom of Jordan would arrive at Washington on March 23 for a 5-day informal

visit. His schedule in Washington included informal discussions with President Eisenhower, Acting Secretary Herter, and other Government officials.

The King's visit to Washington was part of an unofficial tour of the United States which began in Hawaii on March 17. He left Washington on March 28 to continue his tour and left New York for London on April 17.

Asian Economic Development

by Douglas MacArthur II
*Ambassador to Japan*¹

Relations between Japan and the United States rest on a solid foundation of sovereign equality, common objectives, and mutual interest in many fields. The most basic self-interest of each country calls for a world where there is peace with justice and also increasing prosperity which will help to raise living standards. We agree broadly on how that kind of world is to be achieved. Today I wish to talk about one of the many specific issues on which we have an identity of interest: that is Asian economic development, which will serve to promote both peace and progress.

From my conversations with many Japanese friends I believe that the American and Japanese Governments and peoples have the same understanding of the main aspirations of the free Asian peoples. Both our countries know that these peoples seek to maintain and to strengthen their newly won independence for which they struggled so courageously. We also know that our free Asian friends strive earnestly for improved standards of life. These two closely linked aspirations can be attained only if the Asian countries achieve substantial economic progress and development.

Both the United States and Japan desire strongly that, as a matter of enlightened self-interest, the peoples of free Asia achieve their twin aspirations of strengthening their independence and providing a better way of life for their peoples. For neither of us can be secure while the independence of the free Asian nations is in jeopardy. Thanks to the regional and bilateral security arrangements which now exist in the area and

the defense efforts of the free Asian states themselves, the external military threat has been reduced and no aggressor can hope for a cheap and easy victory.

Benefits of Asian Economic Progress

The chief and present threat to independence in Asia is not an external military threat. It is the danger of unrest and subversion, directed from without, in countries where free governments seem unable to raise the material standards of living of their peoples. That is why Asian economic progress is so important for the peoples of free Asia, for the national interests of both Japan and the United States, and for the free world generally.

For Asian economic progress will do more than benefit just the Asian countries directly concerned. The well-being of Americans, Japanese, and other free peoples will be substantially advanced by such economic growth in free Asia. This is particularly true of Japan. Because of geography and special factors Japan and free Asia are in many respects complementary. Free Asia can supply many of the commodities and raw materials which are essential for Japan's industries. On the other hand, Japan, with its special industrial capabilities, can supply much of the industrial machinery, capital goods and equipment, and technical know-how which are particularly important to free Asian countries in their present period of industrial and economic development.

Even now Japan sells more than 30 percent of its exports to free Asian countries. One of the principal factors preventing an expansion of those exports is the lack of capital and the low level of income that characterize most Asian countries. Until there is added capital and know-how and until incomes are raised, the potential of this vast market, which numbers more than 600 millions of people, can never be realized. In 1957 the value of Japan's exports to free Asia amounted, on a per capita basis, to about \$1, or 360 yen, worth of goods to each individual inhabitant of that great area. There is no reason why this should not double or triple in the next 10 to 20 years in view of the needs of these countries for both industrial equipment and goods. Certainly the needs are there. And if the economies of free Asia expand and flourish, then a large and healthy growth of trade will inevitably follow.

Thus considerations of security and of econom-

¹ Address made before the Naigai Josei Chosakai (Research Institute of Japan) at Tokyo, Japan, on Feb. 26.

ics cause both Japan and America to have economic development in Asia as a major objective. And, of course, we share a sentiment of sincere friendship toward these new countries that are struggling against such heavy odds to make independence a success. We cannot make policies on the basis of sentiment, to be sure, but sentiment can fortify policies arrived at along the more carefully calculated lines of enlightened self-interest.

It is no wonder, then, that Japan and the United States are associated in a number of activities for the purpose of fostering economic development. It is useful to run over the list, for it is an impressive one.

U.S.-Japan Multilateral Economic Cooperation in Asian Development

We are members together, with other free countries, in a number of multilateral organizations devoted to economic and technical assistance in the newly developing countries.

These organizations include the International Bank for Reconstruction and Development, which already has loaned over \$800 million to the countries of South and Southeast Asia. The Bank is the basic multilateral development institution. The United States alone has subscribed over \$3 billion to the Bank's capital. Its accumulated experience in development lending is a vital free-world asset. The Bank directors have recently proposed to increase its authorized capital.² Both our countries have strongly endorsed this proposal, which will permit an increase in lending to meet the growing capability of developing countries to finance hard-currency loans for basic development projects.

The United Nations Technical Assistance Program is another of the multilateral undertakings in this field. It now has added to it the United Nations Special Fund, which will allow an enlargement of U.N. technical assistance work. The United States will contribute up to 40 percent of the cost of these programs during 1959. The Special Fund will undertake special surveys of natural resources, and it will be able to equip and also to help to staff training institutions.

² For background, see BULLETIN of Feb. 23, 1959, p. 279; for U.S. statements in support of legislation to increase the Bank's capital and the U.S. subscription, see *ibid.*, Mar. 30, 1959, p. 445.

Japan and the United States also work together in the Economic Commission for Asia and the Far East, which has done so much to increase understanding of Asia's economic problems. ECAFE, as it is known, is presently carrying out as a special project a survey of the great Mekong River, which drains a vast area of Thailand, Laos, Cambodia, and Viet-Nam and which eventually will be tamed and harnessed for the lasting benefit of the peoples of those countries. One of the world's most famous dam builders, Yutaka Kubota of Japan, has recently returned from the survey of the Mekong Valley, a survey that is being financed by a number of ECAFE countries, including Japan and the United States.

Japan and the United States both conduct technical and economic assistance programs under the general aegis of the Colombo Plan. The Colombo Plan is of free Asian inspiration, and both Japan and the United States are members. It is an admirably conceived organization for further economic cooperation. It provides a multilateral forum for discussion and interchange of views and it takes account of common interests, while at the same time it permits each member to make separate decisions about its own assistance or development program. Both our Governments look on it as a highly useful organization. Last year President Eisenhower showed his deep personal interest in the Colombo Plan by attending its annual meeting in Seattle.³

U.S.-Japan Bilateral Cooperation for Asian Economic Development

So far I have cited arrangements under which Japan and the United States pool their resources and skills with those of other free-world nations to aid the newly developing countries. We also work together on a joint Japanese-American basis as well.

Since 1954 our International Cooperation Administration has joined with the Japanese Government in financing the costs of technical training in Japan for nationals from other Asian countries. We call this the third-country training program. Our ICA missions in South and Southeast Asia work with the local governments to select qualified people for training in Japan. The ICA pays their international travel and maintenance expenses, and the Japanese Government, with the

³ *Ibid.*, Dec. 1, 1958, p. 853.

Asia Kyokai [Society], provides training facilities and teachers in Japan.

This is a down-to-earth arrangement for effective technical training on which the ICA has spent over a million dollars. I need hardly add that it is also a program that promotes international understanding in the most practical way possible—by bringing Asian people together in Japan in activities of immediate and mutual interest.

Last year, in June, negotiations were concluded for another kind of joint undertaking between Japan and the United States in Asian economic development. This was the project for development of the iron ore deposits in Orissa Province in India.⁴

These iron ore deposits are located more than 400 miles inland in an area where harbor and railroad facilities have not been fully developed. Japan's iron and steel industry was greatly interested in being able to obtain high-quality ore from India, whereas India was equally interested in an export market in Japan. Furthermore the harbor and railroad improvements needed for handling the iron ore would have the additional advantage to India of opening up and bringing modern communications to a large and potentially productive area. The total cost of the necessary improvements and of opening the iron mines, however, was more than Japan and India could manage.

The solution was a three-way investment plan. Japan will advance a loan of \$8 million for railroad and mining equipment for the Orissa project. This will benefit Japan's industries and also help to provide the source of the needed iron ore. The United States will provide \$20 million for additional imported equipment and materials, and the Government of India will shoulder the local construction costs, which it is estimated will be equal to about \$39 million. Once the project has been completed, Japan will import about 2 million tons of high-grade Orissa iron ore each year. The railway carrying the ore will also carry local farm products to Indian markets. The improved harbor will make possible an increase in trade generally.

I think the Orissa project is an excellent prototype for cooperation in Asian economic development. There must be many possibilities for similar joint arrangements. They need not necessarily be on the scale of the Orissa project,

⁴ *Ibid.*, July 28, 1958, p. 156.

nor need they be based only on the development of raw materials. What is required, as I see it, is a flexible pattern under which we can bring together free Asian and Japanese capital and managerial skills with loans from the United States and other free-world countries, so as to bring sound economic development projects into operation.

The Contribution of Private Enterprise

We need to induce private businessmen, as well as governments, to find potential projects for financing. The task of Asian economic development is one of such magnitude that governmental financing alone will not be adequate. There is a great need to induce private capital and enterprise to make its contribution to economic development. However, up till now, capital has not been the only limitation on economic development in Asia. There has been a lack, overall, of soundly conceived projects for assistance. This is a lack that Japan's private businessmen can help to overcome by seeking out opportunities, with their free Asian friends, for development investment in Asia on a mutually beneficial and satisfactory basis.

U.S. Development Loan Fund

You may ask whether the United States has the institutions to work within the flexible pattern that I mention. Yes, it has. The Development Loan Fund, which was set up in 1957, is designed to meet needs that our other assistance and lending programs cannot meet. It can make loans repayable in local currencies. It has the power to lend at preferential interest rates to projects such as roads and harbors that are not directly self-liquidating. It can associate itself with other investors, including private investors, in joint financing of development projects. It is authorized to finance loans, credits, guarantees, or other kinds of transactions. The keynote of the Fund is flexibility of operation.

President Eisenhower in his budget message⁵ has asked the Congress to bring the appropriation for the Development Loan Fund for the current fiscal year up to \$625 million. He also asked for new lending authority of an additional \$700 million for the coming U.S. fiscal year beginning on

⁵ For excerpts from the President's budget message, see *ibid.*, Feb. 9, 1959, p. 198.

July 1.⁶ The President has emphasized that the Fund is to continue to have a key role in our economic development assistance program.

Other U.S. Economic Development Assistance

In addition to the foregoing activities in which Japan and the United States work together, the United States is also making substantial additional contributions to Asian economic development.

We make these additional contributions through such institutions and programs as the United States Export-Import Bank, our agricultural surplus sales, our point 4 technical assistance program, and the International Cooperation Administration, with its network of field offices in Asia. In the years since the end of World War II the United States has given outright about \$6.6 billion to the developing countries of free Asia through these and similar programs. Another \$645 million has been provided in the form of credits. This figure is net, that is, deducting loan repayments. During the past three United States fiscal years alone, our grant aid to free Asia has been \$2.7 billion.

Japan, of course, benefits substantially from United States economic activities in Asia through the International Cooperation Administration's offshore procurement program. The ICA purchases a sizable part of its aid goods on a competitive bid basis, open to all suppliers. Japan's industries have been able to supply more than \$450 million worth of commodities and equipment to ICA programs during the past 5 years. This is a very important bit of export business for Japan. It is good business, also, for the United States and for the newly developing countries. It makes use of Japan's industrial resources, skills, and favorable location to hasten Asian economic development.

The range and character of the activities I have outlined make it abundantly clear that our two countries have not only the common objective of furthering Asian economic development but that we are actually working together to achieve it. Although progress has been made, there is still a tremendous job remaining to be done. The task is of such magnitude that governmental programs

⁶For text of the President's message to the Congress on the mutual security program for fiscal year 1960, see *ibid.*, Mar. 30, 1959, p. 427.

alone will not be adequate to meet the challenge. We must find additional ways of enlisting private enterprise, capital, and know-how in this great task.

We need now to have all free peoples understand clearly how urgent and how overriding is the problem of Asian economic development. And we need groups such as your institute to keep interest and awareness alive and also to encourage more active support by both government and private enterprise. I wish you great success in your dedicated effort.

Report Urges Intensified Promotion of Private Investment Abroad

Press release 236 dated March 31

Intensified Government efforts to stimulate the flow of private U.S. investment abroad to form effective working partnerships with local capital for the economic growth of newly developing countries were recommended in a report, *Expanding Private Investment for Free World Economic Growth*, released on April 1 by the Department of State.¹

The report was prepared for the Department under the direction of Ralph I. Straus, acting as special consultant to the Under Secretary for Economic Affairs, in response to section 413(c) of the Mutual Security Act. The report will be given careful study in the Department and other agencies to determine possible action based on its recommendations.

In submitting his report Mr. Straus made it clear that "the representatives of the Government agencies and the private individuals who assisted me in the preparation of this Report may not necessarily agree with all of its conclusions and recommendations. The responsibility for the final document is mine alone."

The report states that it is in "our national economic, political, and humanitarian interests" to help the less developed countries in their efforts to achieve economic development, to meet the politically motivated challenge of the Soviet economic offensive, and to achieve expansion in the world's economy generally by facilitating the international movement of capital and goods.

¹Copies of the report may be obtained upon request from the Department of State, Washington 25, D.C.

The report is based on the "conviction that, even in countries which have adopted a large measure of central economic direction, the encouragement and release of private initiative will greatly accelerate the rate of growth." However, it cautions that its recommendations are not intended to replace the current Government programs for assisting the development efforts of other countries.

It urges a serious effort "by both government and business to use the techniques presently available, and those which are recommended in this study, in imaginative ways to bring to bear on development problems private resources of capital, skills, energy and initiative."

The report emphasizes that "most of our great economic assets as a nation—capital, know-how, and resourcefulness—are in private hands" and states that "they have not been brought adequately to bear on the problems of the newly developing countries."

"It is crucial to generate the resourcefulness, organizational talent, and technical skill without which capital cannot achieve economic expansion," it continues. "It is especially in these skills that the developmental potential of private enterprise lies. Each business enterprise sets in motion a chain reaction of constructive economic activity and broadens the base of local technical competence which will determine, in the end, the degree of success of any development program.

"Private U.S. business abroad can have a dynamic and beneficial effect on the economies of other countries which cannot be created by government-to-government activities alone."

The report makes clear that its recommendations reflect "a policy and administrative preference for those measures which will release and stimulate as much private activity as possible with a minimum of government interference in the free play of private decisions."

The report sets forth at the outset that "the nature and rate of economic growth in the developing countries, as well as the encouragement of private enterprise, depend primarily on the efforts and decisions of the leaders and citizens of those countries." In keeping with this, it recommends:

... that projects designed to develop private enterprise in the participating countries be made an integral part of foreign assistance programs. This will require clear-cut policy decisions and the assignment of specific responsi-

bilities to competent, specialized U.S. staff, both in Washington and in the field, to secure as great an organized concentration upon the private sector as has heretofore been accorded to agriculture, health and public programs.

... that the analysis upon which to base a program for stimulating private industry be carried out on a trial basis by means of specially qualified survey teams in a few selected countries that demonstrate interest in such programs.

... that the U.S. Government be prepared to extend support in the form of technical assistance to strengthen existing local institutions specifically designed to assist private enterprise and to create new institutions of this kind where deemed desirable.

The report then turns to measures to encourage American investment abroad. In the tax field, the report attempts to "choose tax incentives that do not threaten to create windfalls, special privileges, or revenue losses without corresponding advantages that further the foreign policy objectives of the United States."

A principal tax recommendation applicable to foreign investment, and similar to legislation introduced by Representative Hale Boggs,² is:

... that the Internal Revenue Code be amended to give special tax treatment to domestic corporations known as Foreign Business Corporations (FBC's), such special treatment to have the effect of deferring payment of U.S. income taxes on the profits of an FBC arising from foreign investments and operations until those profits are actually distributed to U.S. stockholders or otherwise diverted from foreign uses.

The report also makes tax proposals which are applicable only to investment in less developed nations, including a recommendation that "a deduction against ordinary income be allowed for capital losses sustained by individual investors and corporations (including Foreign Business Corporations) on their new investments in the less developed areas."

The report then takes up specific recommendations for Government financing, ranging from various forms of U.S. Government financial participation with private enterprise to outright Government contracting for private services. It stresses greater use of intermediate financial institutions and Government guarantees as a means of adding the judgment as well as the resources of private financial institutions to those of the Government in foreign development projects. The major recommendations of the report in this field are:

... that the U.S. Government give further encourage-

² H.R. 5, 86th Cong., 1st sess.

ment, by means of financial support, to soundly organized foreign development banks. In addition, . . . that the government undertake to supplement the resources of American financial institutions prepared to invest in private enterprises contributing to economic development in the less developed countries.

. . . that appropriate legislative and administrative action be taken on the basis set forth in this report to provide governmental financial, tax, and legal support for the formation of International Development Investment Companies to invest in new or expanded private enterprises in the less developed countries.

. . . that government guaranties of the repayment of loans made by private lenders for enterprises in the developing countries be used more extensively in lieu of direct loans; that an expanded program be undertaken to test the effectiveness and feasibility of such guaranties; and that the reserve against such guaranties be based on a conservative estimate to cover amply the maximum foreseeable net cost to the government, rather than 100 percent of the amount of guaranties issued.

. . . that the investment guaranty provision of the Mutual Security Act be amended to include coverage of losses arising from revolution, insurrection, or civil strife associated with war, revolution, or insurrection.

The report also contains recommendations for greater utilization of local currency funds for private enterprise development.

Noting that "there appears to be an even greater shortage of specific, well-planned industrial projects seeking to attract capital," it recommends:

. . . that survey contracts and exploration financing be employed under the Mutual Security Program for encouraging new ventures which contribute to economic development in less developed countries and that special funds be reserved for these techniques from appropriated funds.

In the contracting field the report recommends:

. . . that, where necessary to accomplish high priority projects, greater use be made of management contracts which centralize managerial responsibility for an entire project, including its operation for an initial period, in a single operating company; and that these contracts be developed in close cooperation with the foreign governments.

and

. . . that procedures be established to assure consideration and exploration with foreign governments of possible arrangements for later private financial participation prior to extending financial assistance for foreign government owned and operated projects.

The report finds that changes in the antitrust legislation are not needed for stimulating Ameri-

can private investment in the less developed areas and that the principal problems in that field can be dealt with by administrative action.

The report makes certain recommendations for staffing official missions abroad, for added emphasis upon commercial treaty negotiations, and for a comprehensive review by the Departments of State and Commerce of their services to business.

In connection with the Straus study, the Department of Commerce prepared and sent to 955 domestic companies, firms, organizations, and their executives, a letter and questionnaire requesting opinions and recommendations on expanding private enterprise abroad. A summary and analysis of answers and recommendations prepared by the Department of Commerce will shortly be published separately as an annex to the Straus report.

Denmark Moves To Relax Controls Against Dollar Imports

Press release 227 dated March 27, for release March 29

Following is a joint statement by the Departments of Commerce and State regarding impending relaxation by Denmark of its controls against dollar imports.

The United States welcomes an announcement by the Government of Denmark that it is removing licensing controls, effective April 1, 1959, on a substantial number of dollar imports. This is the second move by the Danish Government during 1959 to relax dollar controls and eliminates all discrimination against dollar goods in the liberalized sector of Danish trade. Beginning April 1, therefore, all products which can be imported without license requirements from Western European countries may also be freely imported from the United States.

As a result of the two steps taken during 1959, Danish liberalization of private dollar imports has increased from 66 to 88 percent (on the basis of 1953 import patterns). The first step, effective January 1, raised the percentage to 70. Among the principal commodities which have been liberalized by this latest action are: petroleum prod-

ucts; clothing and textiles; cordage of long-fibered silk and rayon; asbestos piece goods; citrus fruits; cheese; casein; check protectors; hearing aids; passenger automobiles (both complete and in parts for assembly); certain automobile components, including motors, tires, and tubes; motorcycles and certain motorcycle components, including motors; and trucks and vans weighing under 3,000 kilograms.

This constructive action by the Danish Government represents another significant step in the move toward a more multilateral system of world trade and payments. Earlier, Denmark along with most other West European countries had announced nonresident convertibility of its currency. This financial measure facilitated the current relaxation in the field of trade controls.

Several other countries, including Norway and the Netherlands, have recently relaxed controls over imports from the dollar area.

U.S. Surplus Foods Being Used To Meet Urgent Needs in Haiti

Press release 229 dated March 27

The Department of State announced on March 27 that surplus stocks of U.S. foods are being utilized to meet recently reported urgent requirements in Haiti.

During the fiscal years 1954 through 1958 more than 10 million pounds of dried milk, wheat flour, cornmeal, and rice were authorized for free distribution through U.S. voluntary agencies to people in need in that country. Furthermore, during the present fiscal year (1959) nearly 7 million pounds were made available to the voluntary agencies for shipment. During the 3-month period, January through March 1959, more than 2.6 million pounds were shipped, and nearly 2 million pounds are scheduled for shipment in April.

These programs are conducted through the cooperation of two U.S. voluntary agencies, Catholic Relief Services and Church World Service (Protestant). Due to these currently operating programs the voluntary agencies have substantial supplies of U.S. surplus commodities in Haiti from which to continue distribution. To assure increased aid due to the drought, both agencies

have been advised that their shipping programs against fiscal year 1960 requirements may proceed immediately in increasing amounts, and U.S. Government allocations of food will be increased to cover such shipments as conditions warrant.

A third agency, CARE, has recently surveyed the drought area and expects promptly to undertake an additional program utilizing U.S. food surpluses.

Attention is being given to meeting promptly any additional requirements for food including, if necessary, utilization of U.S. Department of Defense facilities to speed delivery to the affected area.

Officials of the International Cooperation Administration, working in conjunction with Haitian officials, have recently made personal inspection tours of the drought area in northwest Haiti by jeep, horseback, and on foot. They report severe local food shortages but so far no evidence of acute famine conditions or fatalities therefrom.

Representatives of the two Governments have been consulting for some time in Washington and Port-au-Prince on measures to alleviate the situation. The latest such consultation took place on March 27 between Ambassador Ernest Bonhomme and State Department officials.

Development Loans

Haiti

The United States announced on April 2 authorization by the Development Loan Fund of a loan of \$4.3 million to the Government of Haiti to complete an 80,000-acre irrigation project in the Artibonite Valley in Haiti. For details, see Department of State press release 241 dated April 2.

Somalia

The Development Loan Fund and representatives of the Government of Somalia signed at Washington, D.C., on March 31 an agreement whereby the DLF will lend \$2 million to the Credito Somalo, a Government-owned Somalian bank, to enable the bank to extend medium- and long-term credit for agricultural and industrial development. For details, see Department of State press release 234 dated March 31.

Convention With Cuba for Conservation of Shrimp¹

MESSAGE OF TRANSMITTAL

THE WHITE HOUSE, *March 5, 1959.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a convention between the United States of America and Cuba for the conservation of shrimp, signed at Havana on August 15, 1958.

I transmit also, for the information of the Senate, the report by the Acting Secretary of State with respect to the convention.

DWIGHT D. EISENHOWER.

(Enclosures: (1) Report of the Acting Secretary of State; (2) convention for the conservation of shrimp, signed at Havana on August 15, 1958.)

REPORT OF ACTING SECRETARY OF STATE

DEPARTMENT OF STATE,
Washington, February 26, 1959.

THE PRESIDENT,
The White House:

The undersigned, the Acting Secretary of State, has the honor to submit to the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if the President approve thereof, a convention between the United States of America and Cuba for the conservation of shrimp, signed at Havana on August 15, 1958.

The present convention is designed to provide the means for joint and coordinated action by the United States and Cuba to develop and maintain the maximum sustainable productivity of shrimp resources of common concern in the waters of the Gulf of Mexico off the coast of Cuba and the Florida coast of the United States. The action

contemplated will lie in (1) promoting and coordinating research with respect to the fishery, and (2) devising and placing into effect such conservation measures as may be found necessary to achieve the objectives of the convention.

The principal shrimp fishery involved, embracing shrimp grounds lying north of a line drawn from Key West to Loggerhead in the Tortugas insular group and covering an area about 70 miles long and 20 to 25 miles wide, has for some half-dozen years been one of the important shrimp producing fisheries in the Gulf of Mexico. The stock or stocks of shrimp in the area are fished by U.S. fishermen and, to a lesser extent, by Cuban fishermen. During the years 1950 through 1956 American shrimp boats took approximately 118 million pounds of heads-on shrimp from this fishery, valued at \$38 million.

In 1955 the landings of shrimp taken in this area began to show an increasingly high percentage of small shrimp (50 count and above, heads-off), suggesting the possibility that a substantial part of the yield from the resource was being caught before it had time to reach the more commercially desirable sizes. As a result of this trend, experimental research work was begun with respect to this fishery by the University of Miami Marine Laboratory in October of 1955 with emphasis on net selectivity. This work was aimed at providing interim conservation measures until further and more comprehensive scientific research could be done on the basic aspects of the biology of the shrimp, particularly growth and mortality rates. This preliminary experimental work, while yet inconclusive, does nevertheless point to mesh-size regulation as a possible practical means of controlling the size of shrimp landed by permitting the desired escapement of undersized shrimp during the trawling operation. It should, however, also take into account other

¹ S. Exec. B, 86th Cong., 1st sess.

factors, such as shrimp-size variation by depth and season and the ratio of sexes in the catch deriving from a given mesh size.

Since the Tortugas shrimp fishery is a joint fishery of the United States and Cuba, it follows that any conservation program of research and regulation can most effectively be carried out by some suitable agreement between the two countries. The participation of Cuban fishermen in this fishery is relatively small at present, owing in large part to the condition of the fishery. As the productivity of the fishery is increased, however, it will no doubt attract increasing Cuban participation. It is essential, therefore, that the research work indicated and any resulting conservation regulations be effectuated with the cooperation of the two countries.

The convention provides for the establishment of the Commission for the Conservation of Shrimp in the Eastern Gulf of Mexico as the mechanism for carrying out the objectives of the convention. The Commission will be composed of two national sections, each consisting of three members appointed by the respective Governments. Each section has one vote in the deliberations of the Commission. Decisions of the Commission require the approval of both sections.

The Commission is charged with two principal duties: obtaining scientific information pertaining to the stocks of shrimp of common concern in the convention area in order to determine the measures necessary for their conservation; and, on the basis of this information, adopting appropriate regulations, which will enter into force, in the absence of objection by either party, sixty days after notification of the regulations to the parties.

The convention provides that each Government may establish an advisory committee for its national section.

Joint expenses of the Commission are to be paid by contributions made by the United States and Cuba. The budget of joint expenses and the share of each Government is to be determined by the Commission and submitted to the Governments for approval. The share of each country in the joint expenses is to be related to the proportion of the total catch from the shrimp stocks of common concern in the convention area taken by vessels which belong to that country.

It is estimated that joint costs arising from the convention will amount to not more than \$200,000

annually, of which the preponderant share will fall to the United States owing to the relatively small Cuban participation at the present time in the shrimp stocks covered by the convention. It is expected that in due course Cuba's participation in these stocks will increase, and its share of the joint expenses become correspondingly larger. With regard to the cost factor, it will be noted that the Commission is authorized to establish working relations with any international, public or private institution or organization or any individual. This authorization will enable the Commission to avail itself of the research facilities of existing organizations if doing so proves practicable.

Prior to negotiations with Cuba, the Department of State and the Department of the Interior undertook lengthy discussions with the concerned groups in the gulf area, including State officials. The convention represents principles on which wide agreement was reached.

The convention will enter into force on the date of exchange of instruments of ratification. It will continue in force for 10 years and thereafter until terminated by either party on 1 year's notice. The convention requires the two Governments to review in the sixth year the effectiveness of the convention.

At an early date the Congress will be requested to consider implementing legislation necessary for the United States to apply the provisions of the convention.

Respectfully submitted.

CHRISTIAN A. HERTER,
Acting Secretary of State.

(Enclosure: Convention for the conservation of shrimp, signed at Havana, August 15, 1958.)

TEXT OF CONVENTION

CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND CUBA FOR THE CONSERVATION OF SHRIMP

The Government of the United States of America and the Government of Cuba, considering their common interest in maintaining the maximum sustainable productivity of stocks of shrimp of common concern in waters of the Gulf of Mexico off the coast of Cuba and the Florida coast of the United States, and in promoting the scientific studies necessary to ascertain the conservation measures required for this purpose, and desiring to establish procedures for coordinating such studies and for placing in effect such conservation measures as may be necessary, agree as follows:

ARTICLE I

The area to which this Convention applies, hereinafter referred to as "the Convention area", shall be the waters of the Gulf of Mexico off the coast of Cuba and the Florida coast of the United States, including territorial waters, in which are found stocks of shrimp of common concern.

ARTICLE II

1. The Contracting Parties agree to establish and operate a commission, to be known as the Commission for the Conservation of Shrimp in the Eastern Gulf of Mexico, hereinafter referred to as "the Commission", which shall carry out the objectives of this Convention. The Commission shall be composed of two national sections, a United States section consisting of three members appointed by the Government of the United States, and a Cuban section consisting of three members appointed by the Government of Cuba.

2. Each national section shall have one vote. Decisions of the Commission shall be made only by approval of both sections.

3. The Commission may decide upon and amend, as occasion may require, rules for the conduct of its meetings and for the performance of its functions and duties.

4. The Commission shall meet at least once each year and at such other times as may be agreed by both national sections. The date and place of the first meeting shall be determined by agreement between the Governments.

5. The Commission shall decide on the most convenient place for the establishment of its headquarters.

6. At its first meeting the Commission shall select a chairman from the members of one national section and a vice chairman from the members of the other national section. The chairman and vice chairman shall hold office for a period of two years. In each succeeding term, the office of chairman and vice chairman shall alternate between the respective national sections.

7. Each section of the Commission may appoint its own advisers who shall be invited by the Commission to attend all nonexecutive sessions of the Commission.

8. Each section of the Commission may hold public hearings within the territory of its own country.

9. The official languages of the Commission shall be English and Spanish, and members of the Commission may use either language during meetings. The minutes, official documents and publications of the Commission shall be in both languages, but official correspondence of the Commission may be written in either language.

10. The expenses incurred by each national section shall be borne by its Government. The share of each country in the joint expenses incurred by the Commission shall be related to the proportion of the total catch from the shrimp stocks of common concern in the Convention area taken by vessels which belong to that country.

11. The budget of joint expenses and the share of each Government shall be determined by the Commission and submitted to the Governments for approval.

12. The Commission shall authorize the disbursement of funds for the joint expenses of the Commission and

may employ necessary personnel for the performance of its functions and duties.

13. The Commission shall designate a technically competent Director who shall serve at the pleasure of the Commission. Subject to such rules and procedures as may be determined by the Commission, the Director shall have full power and authority over the staff of the Commission.

ARTICLE III

1. The Commission shall have responsibility for:

(a) Obtaining scientific information regarding the abundance, life history, and ecology of stocks of shrimp of common concern in the Convention area in order to determine the measures necessary for their conservation.

(b) Publishing or otherwise disseminating reports relative to the results of its findings and such other scientific reports and statistical data as fall within the scope of this Convention.

(c) Adopting, with respect to the Convention area, such regulations, based on scientific findings, as are necessary to achieve the objectives of this Convention.

2. Each of the regulations adopted pursuant to paragraph 1(c) above shall become effective with respect to the Contracting Parties sixty days following notification of the regulation by the Commission to each of the Contracting Parties, except that either of the Contracting Parties may prevent entry into force of a regulation by lodging objection thereto with the Commission before the expiration of such sixty-day period.

3. The Commission shall notify the other Contracting Party immediately upon receipt of objection to a regulation.

4. In discharging its responsibilities the Commission may establish working relations with any international, public or private institution or organization or any individual.

5. The Commission shall submit annually to the respective Parties a report on its work, together with any recommendations, and shall also inform them, whenever it is deemed advisable, on any matter relating to the objectives of this Convention.

ARTICLE IV

The Contracting Parties agree to keep as far as practicable all records requested by the Commission and to furnish compilations of such records and other information upon request of the Commission. No Contracting Party shall be required hereunder to provide the records of individual operations.

ARTICLE V

The Contracting Parties agree to cooperate with each other in taking appropriate and effective action to enforce any regulations which enter into force pursuant to Article III of this Convention. Accordingly, the Contracting Parties agree as follows:

1. Any national or vessel of a Contracting Party which engages in operations on the high seas in violation of

Congressional Documents Relating to Foreign Policy

86th Congress, 1st Session

Estate Tax Deduction for Charitable Transfers Subjected to Foreign Death Taxes. Report to accompany H.R. 137. H. Rept. 82. February 26, 1959. 7 pp.

Authorizing the Extension of Loans of Naval Vessels to the Governments of Italy, Turkey, and the Republic of China. Report to accompany H. R. 3366. March 2, 1959. 9 pp.

Favoring Meeting of the North Atlantic Treaty Parliamentary Conference for 1959 in Washington, D.C. Report to accompany H. Con. Res. 34. H. Rept. 94. March 3, 1959. 2 pp.

Authorizing an Appropriation for Pan American Games To Be Held in Chicago, Ill. Report to accompany H.R. 2575. H. Rept. 95. March 3, 1959. 2 pp.

Certain Members of the Armed Forces of the United States, or Their Survivors, Who Were Captured and Held as Prisoners of War in the Korean Hostilities. Report to accompany H.R. 4121. H. Rept. 141. March 4, 1959. 5 pp.

Immigration and Naturalization. Report of the Committee on the Judiciary, U.S. Senate, made by its Subcommittee on Immigration and Naturalization pursuant to S. Res. 235 as extended, 85th Congress, 2d session. S. Rept. 78. March 5, 1959. 8 pp.

Authorizing Free Communication Services to Official Participants in the Ninth Plenary Assembly of the International Radio Consultative Committee. Report to accompany S.J. Res. 47. S. Rept. 81. March 5, 1959. 4 pp.

Committee on Un-American Activities: Annual Report for the Year 1958. H. Rept. 187. March 9, 1959. 104 pp.

Requiring a Study To Be Conducted of the Effect of Increasing the Diversion of Water From Lake Michigan Into the Illinois Waterway for Navigation, and for Other Purposes. Report together with minority, supplemental, and separate views to accompany H.R. 1. H. Rept. 191. March 9, 1959. 25 pp.

Patents, Trademarks, and Copyrights. Report of the Committee on the Judiciary, U.S. Senate, made by its Subcommittee on Patents, Trademarks, and Copyrights pursuant to S. Res. 236, 85th Congress, 2d session, as extended. S. Rept. 97. March 9, 1959. 28 pp.

1959 Joint Economic Report. Report of the Joint Economic Committee, Congress of the United States, on the January 1959 Economic Report of the President with minority and other views and the economic outlook for 1959 prepared by the committee staff. S. Rept. 98. March 9, 1959. 76 pp.

Proposed Supplemental Appropriation To Pay Certain Claims and Judgments Against the United States. Communication from the President of the United States transmitting a proposed supplemental appropriation to pay claims for damages, audited claims, and judgments rendered against the United States, as provided by various laws, in the amount of \$2,570,198, together with such amounts as may be necessary to pay indefinite interest and costs and to cover increases in rates of exchange as may be necessary to pay claims in foreign currency. H. Doc. 95. March 11, 1959. 35 pp.

Authorizing Service by Canadian Vessels for Certain Alaska Ports. Report to accompany S. 175. S. Rept. 99. March 11, 1959. 6 pp.

Final Report of the Special Committee on Space and Astronautics of the United States Senate Pursuant to S. Res. 256 of the 85th Congress. S. Rept. 100. March 11, 1959. 76 pp.

regulations which enter into force pursuant to Article III of this Convention may be seized by duly authorized officers of the other Contracting Party and detained by the officers making such seizure and delivered as soon as practicable to an authorized official of the country to which such person or vessel belongs, at the nearest point to the place of seizure or elsewhere as may be agreed upon.

2. The authorities of the country to which such person or vessel belongs alone shall have jurisdiction to conduct prosecutions for violation of the regulations which enter into force pursuant to Article III of this Convention and to impose penalties for such violation, and the witnesses and proof necessary for such prosecutions, so far as any witnesses or proofs are under the control of the seizing Country, shall be furnished with all reasonable promptitude to the authorities having jurisdiction to conduct the prosecutions.

3. Each contracting party shall be responsible for the proper observance of this Convention and of any regulations adopted under the provisions thereof in the portions of its waters covered thereby.

ARTICLE VI

The Contracting Parties agree to meet, during the sixth year of the operation of this Convention, to review the effectiveness of the provisions of this Convention and, if desirable, to consider means by which they may more effectively be carried out.

ARTICLE VII

Nothing in this Convention shall be construed as preventing either of the Contracting Parties or in the case of the United States, any of the States, from making or enforcing laws or regulations which in the absence of this Convention would be valid relative to any fisheries of the Convention area so far as such laws or regulations do not preclude the discharge of the Commission's responsibilities.

ARTICLE VIII

1. This Convention shall be ratified and the instruments of ratification exchanged at Habana as soon as practicable.

2. This Convention shall enter into force on the date of exchange of instruments of ratification and shall remain in force for a period of ten years and thereafter until one year from the date on which either Contracting Party shall have given written notice to the other of its desire to terminate the Convention.

IN WITNESS WHEREOF the respective Plenipotentiaries have signed the present Convention.

DONE in duplicate, in the English and Spanish languages, each of which shall be of equal authenticity, at Habana this 15th day of August, 1958.

For the Government of the United States of America:
EARL E. T. SMITH

For the Government of the Republic of Cuba:
GÜELL

ITU International Radio Committee Convenes at Los Angeles

Following is the text of an address by W. T. M. Beale, Deputy Assistant Secretary for Economic Affairs, before the opening session of the ninth Plenary Assembly of the International Radio Consultative Committee (CCIR [Comité consultatif international des radio communications]) at Los Angeles, Calif., on April 2, together with Department announcements concerning the meeting.

ADDRESS BY MR. BEALE

Press release 239 dated April 1

It is an honor and a pleasure to welcome you on behalf of the Government of the United States.

This country has been greatly privileged, for it was at Washington that the International Radio Consultative Committee was created in 1927 and it was at Atlantic City in 1947 that the radio conference adopted the principle of the engineered allocation of frequencies to communications services. Now the city of Los Angeles takes its place in a roster which contains many famous names. For we should not forget that this Committee traces its origin back to the founding in Paris, 94 years ago, of the International Telegraph Union. When the first International Telegraph Convention was signed on May 17, 1865, our Civil War had only just drawn to a close and our country had suffered the loss of the Great Emancipator, Abraham Lincoln. At that time this great State of California had belonged to the Union only 15 years.

Let me recall for a minute some of the highlights in the historical background against which we are meeting today. When the Paris convention was revised in 1868 in Vienna, Franz Josef the First was Emperor of Austria and King of Hungary. When it was again revised in Rome in 1872, Italy had been unified for only a year. And by 1875, when the Union met in St. Petersburg, the

Czar Alexander the Second had emancipated the serfs.

A listing of these events serves to point up how relatively young the CCIR is and at the same time emphasizes the rapidity of developments during the lifetime of your organization. To many of us, for whom the memory of Lindbergh's historic flight is still vivid, the year 1927 is not ancient history. But I feel quite certain that, had the Conference been held in Los Angeles in that year, I would not then have flown from Washington solely to welcome you, as I have done on this occasion.

Anticipating Future Communications Requirements

It is not my purpose, however, to dwell on past history and the progress already made by your organization, especially that made since the end of World War II. You can take pride indeed in your past accomplishments. And I am certain that you welcome the challenging tasks you will undertake in the years immediately ahead. Today you are studying the requirements for communication service with outer space on an urgent basis. Only a few years ago the need for such studies seemed indefinitely far in the future. But, as you have recognized, the requirements for this new service are a very real, practical, current problem for which the Radio Administrative Conference at Geneva will have to consider frequency allocation needs. I am confident this Committee will make a solid contribution to the understanding and resolution of these problems. It is also important for the future that you have under active consideration the problems of still another new service—stereophonic broadcasting—through which new dimension and depth will be given to the transmission of sound.

It is a tribute to the farsightedness of the originators of the CCIR, and must be a source of gratification to all of you, that the many technical problems brought about by the expansion of the art of radio into the broad field of electronics development could be met and solved through the

years on an international basis with such success. If questions concerning newly developing services and techniques have not become major international telecommunications problems, it is because the CCIR has anticipated them and recommended procedures for their resolution at an early stage.

The attributes of the CCIR have been many. It has anticipated future communication requirements and recognized the importance of flexibility for research and development in new areas of communication. It has never waited for problems to become acute. Particularly in the period since 1947, when, as I have remarked, the change in approach to the allocation of frequencies for radio communication service was made, the CCIR has put into early study a great many technical problems.

You are all familiar with most of these problems, but I would still like to recall some of them, such as those of the propagation characteristics of various frequencies, and the operational characteristics and techniques for particular services to provide for maximum efficiency and capacity for each service. This had the long-range view not only of providing for future expansion of communication service but also of providing for conservation of the frequency spectrum.

The CCIR has emphasized the need for future standardization for international communication service to the widest extent possible. It has also called for the development of more efficient transmitters, receivers, and complete communications systems and for accuracy in monitoring and in standardizing frequency signals.

It is important to remember, however, that the results of which you are proud could only have been achieved by adherence to the main objectives of the International Telecommunication Union. Let me recall to your minds that these objectives are: first, to maintain and extend international cooperation for the improvement and rational use of telecommunications; second, to promote the development of technical facilities and their most efficient operations; and lastly, to harmonize the actions of nations in the attainment of these common ends.

I would emphasize the words "international cooperation," "development of technical facilities," and "harmonize the actions of nations." To me they are worth emphasizing, first, because my Government recognizes the vital international

importance of the work which is the particular responsibility of this Committee and, second, because these are the objectives which my Government seeks to achieve through its foreign economic policy.

We believe that these principles of international cooperation, technical assistance, and mutual aid should be applied not only in dealing with the problems of telecommunication but in carrying out the numerous other activities pursued under the aegis of the United Nations. That is why my Government attaches such great importance to other specialized agencies of the U.N., several of which work closely with the ITU, such as ICAO [International Civil Aviation Organization], UNESCO [United Nations Educational, Scientific and Cultural Organization], and WMO [World Meteorological Organization].

Responsibilities as Citizens

Today we live in an era of interdependence. An event in one part of the world has repercussions in other parts, adverse or favorable. If you will forgive me for borrowing from your phraseology, there are times when the political and economic frequency bands seem overcrowded and one could wish that in those fields we might duplicate your success in agreeing on allocations.

As communicators you have solved many technical problems. I doubt not that you will resolve many more. But you are also citizens in an interdependent world, and as such you bear additional responsibilities. In your expert capacity you have contributed to the tremendous advance that has been made in our ability to communicate with each other. In your other capacity you must share the deep concern of all men of good will that the ideas we communicate should promote the peace and well-being of all nations.

In this audience today are representatives of 54 countries. I do not know how many of you are visiting this country for the first time. Many, I hope, we can count as old friends. During the weeks you will spend in this delightful city and State I hope you will come to know and understand us or learn to know us better, as the case may be. I recognize that, to you who communicate so freely, no parts of the world and no peoples are wholly unfamiliar. But I would hope that this conference would not only advance the art of

communication but assist the communication of ideas.

Let me remind you that it is not only in the field of communications that the world has changed, and this country with it. Few of those who attended the conference in Washington in 1927 could have imagined that the Marshall plan would already be in operation when they met again in 1947. And today this country can point to many developments in the field of foreign economic policy which you will want to take into account in arriving at your understanding of our country. For, as I have suggested, we have sought to apply in this broad field the principles you have found so effective in your own special field of interest.

In doing so my Government has associated itself with others in multilateral organizations for the expansion of international trade and the promotion of economic development. We take some considerable pride that our country, in cooperation with many others, has brought about substantial reductions in the trade barriers which stifle the exchange of goods and services throughout the world. Through the International Monetary Fund we have helped to promote exchange stability and to alleviate balance-of-payments difficulties. With other members of the World Bank we have been able to render development assistance through loans. We have collaborated with other international organizations, including many agencies of the U.N., in their efforts to improve economic conditions and raise living standards throughout the world. Moreover, when needs have arisen which could not be met by other means, we have sought to supplement these international efforts from our own resources through institutions established for that purpose.

In mentioning what we have done in recent years I do so not to solicit your praise. My sole purpose is that you may have a better understanding of the development of our national thinking. We would have you see behind the form to the substance, so that we may encourage that communication of ideas which your achievements facilitate.

DEPARTMENT ANNOUNCEMENTS

The Department of State announced on March 26 (press release 225) that the ninth Plenary

Assembly of the International Radio Consultative Committee (CCIR) of the International Telecommunication Union would convene at Los Angeles April 1, 1959, at the invitation of the city and the U.S. Government.

The CCIR was established in 1927 by the International Radio Conference at Washington and was reconstituted as a permanent organ of the International Telecommunication Union in 1947.

The Plenary Assembly will provide an excellent forum for the exchange of information between American radio communications experts and their counterparts from all over the world. Participants from other countries will also have the opportunity to observe at firsthand recent American advances in telecommunications and electronics. An extensive program of extra-official activities has been prepared by Government and industry representatives, to permit the delegates to visit electronics and communications installations in the area and to see America.

Official delegations from some 50 countries as well as representatives from private operating agencies, international organizations, science, and industry are expected to attend the Assembly.

The Assembly will consider the results of the work of the study groups since the last Assembly, which cover the entire field of research and operational techniques in radiocommunications and electronics. The results will be reviewed and forwarded for consideration by the ITU Radio Conference (Geneva, August 1959) with recommendations to be included in the Radio Regulations. It will also formulate a program of study group activity for the 3-year period until the next Assembly.

The plenary sessions and the various study group meetings will continue through the month of April.

The Department announced on March 28 (press release 230) that W. T. M. Beale, Deputy Assistant Secretary for Economic Affairs, would welcome the delegations to the opening session of the ninth Plenary Assembly.

The Department announced on March 31 (press release 235) that Arthur L. Lebel, assistant chief of the Telecommunications Division of the Department of State, would serve as chairman of the U.S. delegation to the ninth Plenary Assembly of the International Radio Consultative Commit-

tee of the International Telecommunication Union. He will also serve as chairman of the Assembly.

Mr. Dillon Leaves Washington for SEATO Meeting

Douglas Dillon, Under Secretary for Economic Affairs, left Washington on April 3 to attend the fifth meeting of the Council of the Southeast Asia Treaty Organization at Wellington, New Zealand. Following is the text of his departure statement, together with an announcement of a change in the U.S. delegation.

Mr. Dillon's Departure Statement

Press release 245 dated April 3

I am looking forward with great interest to the SEATO Council meeting in Wellington.

SEATO's high purpose as a barrier against Communist aggression in all its forms in the treaty area has been fully justified by events. The free nations of the area have been able to pursue their chosen courses of national development without armed interference from the forces of communism.

At the coming meeting we shall discuss ways to strengthen SEATO. It will also afford me a welcome opportunity to become better acquainted with the foreign ministers and other representatives of our SEATO allies. I shall be particularly happy to see again our host, Prime Minister Nash of New Zealand.

Following the SEATO Council meeting, I shall go to Baguio to attend the annual conference of our ambassadors in the Far East. En route to Baguio, I shall stop off in Canberra, Djakarta, and Manila for brief, informal talks.

Announcement of Change in Delegation¹

The Department of State announced on March 31 (press release 237) that J. Graham Parsons, Deputy Assistant Secretary for Far Eastern Affairs, would accompany Under Secretary Dillon to the fifth annual meeting of the SEATO Council of Ministers in place of Assistant Sec-

¹For a list of the U.S. delegation, see BULLETIN of Apr. 13, 1959, p. 536.

retary for Far Eastern Affairs Walter S. Robertson.

TREATY INFORMATION

Current Actions

MULTILATERAL

Automotive Traffic

Convention on road traffic with annexes. Done at Geneva September 19, 1949. Entered into force March 26, 1952. TIAS 2487.

Accession deposited: Laos, March 6, 1959.

Notification by United Kingdom of application to (with reservations and declarations): Jamaica, St. Lucia, and Trinidad, March 5, 1959.

Aviation

Agreement on joint financing of certain air navigation services in Iceland.

Agreement on joint financing of certain air navigation services in Greenland and the Faroe Islands.

Done at Geneva September 25, 1956. Entered into force June 6, 1958. TIAS 4048 and 4049, respectively.

Accessions deposited: Australia, March 5, 1959.

Trade and Commerce

Declaration extending standstill provisions of article XVI: 4 of the General Agreement on Tariffs and Trade. Done at Geneva November 30, 1957.¹

Signatures: Greece, February 9, 1959; France, February 10, 1959.

Procès-verbal extending the validity of the declaration¹ extending the standstill provisions of article XVI: 4 of the General Agreement on Tariffs and Trade. Done at Geneva November 22, 1958.¹

Signatures: Greece, February 9, 1959; France, February 10, 1959.

Protocol relating to negotiations for the establishment of new schedule III—Brazil—to the General Agreement on Tariffs and Trade. Done at Geneva December 31, 1958.¹

Signatures: Norway, February 5, 1959; France, February 10, 1959; Sweden, February 16, 1959; Federation of Rhodesia and Nyasaland, February 20, 1959; Austria, February 27, 1959; Denmark, February 28, 1959; Italy (subject to ratification), March 6, 1959.

Weather

Agreement on North Atlantic ocean stations. Done at Paris February 25, 1954. Entered into force February 1, 1955. TIAS 3186.

Accession deposited: Australia, March 5, 1959.

BILATERAL

Germany

Agreement relating to advance payment by Germany on its indebtedness to the United States for postwar economic assistance under the agreement of February 27, 1953 (TIAS 2795). Effected by exchange of notes at Bonn March 20, 1959. Entered into force March 20, 1959.

¹Not in force.

Haiti

Agreement amending the Air Force mission agreement signed at Washington January 4, 1949, as extended (TIAS 1863, 2807, and 3728). Effected by exchange of notes at Port-au-Prince February 20, 1959. Entered into force February 20, 1959.

DEPARTMENT AND FOREIGN SERVICE

Resignations

Walter S. Robertson as Assistant Secretary of State, effective July 1, 1959. (For an exchange of correspondence between President Eisenhower and Mr. Robertson, see White House press release dated April 1.)

Designations

Clifford H. Willson as Commissioner of the Joint Commission on Rural Reconstruction, Taipei, effective March 22. (For biographic details, see press release 233 dated March 30.)

Saxton Bradford as Deputy for Operations to the Special Assistant to the Secretary for the Coordination of International Educational and Cultural Relations, effective June 1. (For biographic details, see press release 231 dated March 30.)

Check List of Department of State Press Releases: March 30-April 5

Press releases may be obtained from the News Division, Department of State, Washington 25, D.C.

Releases issued prior to March 30 which appear in this issue of the BULLETIN are Nos. 204 of March 19, 211 and 212 of March 23, 225 of March 26, 227, 228, and 229 of March 27, and 230 of March 28.

No.	Date	Subject
*231	3/30	Bradford appointment (biographic details).
*232	3/30	Educational exchange (Afghanistan).
*233	3/30	Willson designation (biographic details).
234	3/31	DLF loan to Somalia (rewrite).
235	3/31	Delegate to CCIR plenary assembly (rewrite).
236	3/31	Straus report on private investment abroad.
237	3/31	SEATO delegation (rewrite).
*238	3/31	Educational exchange (India).
239	4/1	Beale: International Radio Consultative Committee.
240	4/1	Four-power communique.
241	4/2	DLF loan to Haiti (rewrite).
242	4/2	Herter: NATO 10th anniversary.
*243	4/2	Cultural exchange (Colombia).
*244	4/2	Parsons to be nominated Assistant Secretary (biographic details).
245	4/3	Dillon: departure for SEATO meeting.
247	4/4	Herter: College News Conference.

*Not printed.

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The Communist Economic Threat

In May 1958 the Department of State issued a pamphlet entitled "The Sino-Soviet Economic Offensive in the Less Developed Countries." The present publication, a condensation of that study, which was derived from a great many authoritative sources, includes the most recent data available regarding the Communist program of economic penetration.

As was pointed out in the earlier study, this program represents an attempt by the Sino-Soviet bloc to employ its growing economic and industrial capacities as a means for bringing the newly developing free nations within the Communist orbit. The Sino-Soviet program is a massive attempt, having involved to date financial commitments by the bloc of nearly \$2.5 billion.

This document is a description of the scope and nature of this offensive and an analysis of its motives and objectives.

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THE DEPARTMENT OF STATE

Bulletin

VOL. XL, No. 1035 • PUBLICATION 6810

April 27, 1959

The Department of State BULLETIN, a weekly publication issued by the Public Services Division, Bureau of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

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The Importance of Understanding

*Address by President Eisenhower*¹

Now, like any other individual invited to speak on a subject of his own choosing before a collegiate group, I have been confronted with the need for making one or two decisions. One of these has been the selection of a subject that you here might consider to be both current and interesting. Another has been the length of the time I might need for its exposition.

Napoleon, reflecting upon the desirable qualities of a political constitution, once remarked that such a document should preferably be short and always vague in meaning. Unfortunately he did not comment upon the appropriate length and character of a talk commemorating Founders Day at a liberal arts college. But if I do not wander too far from my text, I can, at least, attain reasonable brevity—and I do assure you that there will be nothing vague about the convictions I express.

I shall not attempt to talk to you about education, but I shall speak of one vital purpose of education—the development of understanding—understanding, so that we may use with some measure of wisdom the knowledge we may have acquired, whether in school or out. For no matter how much intellectual luggage we carry around in our heads, it becomes valuable only if we know how to use the information. Only if we are able to relate one fact of a problem to the others do we truly understand them.

This is my subject today—the need for greater individual and collective understanding of some of the international facts of today's life. We need to understand our country's purpose and role in strengthening the world's free nations, which, with us, see our concepts of freedom and human dignity threatened by atheistic dictatorship.

If through education, no matter how acquired, people develop understanding of basic issues and so can distinguish between the common, long-term good of all, on the one hand, and convenient but shortsighted expediency, on the other, they will support policies under which the Nation will prosper. And if people should ever lack the discernment to understand or the character to rise above their own selfish, short-term interests, free government would become well nigh impossible to sustain. Such a government would be reduced to nothing more than a device which seeks merely to accommodate itself and the country's good to the bitter tugs of war of conflicting pressure groups. Disaster could eventually result.

Facts About Mutual Security Program

Though the subject I have assigned myself is neither abstruse nor particularly difficult to comprehend, its importance to our national and individual lives is such that failure to marshal, to organize, and to analyze the facts pertaining to it could have for all of us consequences of the most serious character. We must study, think, and decide on the governmental program that we term "mutual security."

The true need and value of this program will be recognized by our people only if they can answer this question: "Why should America, at heavy and immediate sacrifice to herself, assist many other nations, particularly the less developed ones, in achieving greater moral, economic, and military strength?"

What are the facts?

The first and most important fact is the implacable and frequently expressed purpose of imperialistic communism to promote world revolution, destroy freedom, and communize the world.

¹Made at the 1959 Gettysburg College convocation at Gettysburg, Pa., on Apr. 4 (White House press release).

Its methods are all-inclusive, ranging through the use of propaganda, political subversion, economic penetration, and the use or the threat of force.

The second fact is that our country is today spending an aggregate of about \$47 billion annually for the single purpose of preserving the Nation's position and security in the world. This includes the costs of the Defense Department, the production of nuclear weapons, and mutual security. All three are mutually supporting and are blended into one program for our safety. The size of this cost conveys something of the entire program's importance—to the world and, indeed, to each of us.

And when I think of this importance to us—think of it in this one material figure—this cost annually for every single man, woman, and child of the entire Nation is about \$275 a year.

The next fact we note is that, since the Communist target is the world, every nation is comprehended in their campaign for domination. The weak and the most exposed stand in the most immediate danger.

Another fact, that we ignore to our peril, is that, if aggression or subversion against the weaker of the free nations should achieve successive victories, communism would step by step overcome once-free areas. The danger, even to the strongest, would become increasingly menacing.

Clearly the self-interest of each free nation impels it to resist the loss to imperialistic communism of the freedom and independence of any other nation.

Freedom is truly indivisible.

Viet-Nam's Two Great Tasks

To apply some of these truths to a particular case, let us consider briefly the country of Viet-Nam and the importance to us of the security and progress of that country. It is located, as you know, in the southeastern corner of Asia, exactly halfway round the world from Gettysburg College.

Viet-Nam is a country divided into two parts, like Korea and Germany. The southern half, with its 12 million people, is free but poor. It is an underdeveloped country; its economy is weak, average individual income being less than \$200 a year. The northern half has been turned over to communism. A line of demarcation running along the 17th parallel separates the two. To the

north of this line stand several Communist divisions. These facts pose to south Viet-Nam two great tasks: self-defense and economic growth.

Understandably the people of Viet-Nam want to make their country a thriving, self-sufficient member of the family of nations. This means economic expansion.

For Viet-Nam's economic growth, the acquisition of capital is vitally necessary. Now, the nation could create the capital needed for growth by stealing from the already meager rice bowls of its people and regimenting them into work battalions. This enslavement is the commune system, adopted by the new overlords of Red China. It would mean, of course, the loss of freedom within the country without any hostile outside action whatsoever.

Another way for Viet-Nam to get the necessary capital is through private investments from the outside and through governmental loans and, where necessary, grants from other and more fortunately situated nations.

In either of these ways the economic problem of Viet-Nam could be solved. But only the second way can preserve freedom.

And there is still the other of Viet-Nam's great problems—how to support the military forces it needs without crushing its economy.

Because of the proximity of large Communist military formations in the north, Free Viet-Nam must maintain substantial numbers of men under arms. Moreover, while the Government has shown real progress in cleaning out Communist guerrillas, those remaining continue to be a disruptive influence in the nation's life.

Unassisted, Viet-Nam cannot at this time produce and support the military formations essential to it or, equally important, the morale—the hope, the confidence, the pride—necessary to meet the dual threat of aggression from without and subversion within its borders.

Still another fact! Strategically south Viet-Nam's capture by the Communists would bring their power several hundred miles into a hitherto free region. The remaining countries in Southeast Asia would be menaced by a great flanking movement. The freedom of 12 million people would be lost immediately and that of 150 million others in adjacent lands would be seriously endangered. The loss of south Viet-Nam would set in motion a crumbling process that could, as it

progressed, have grave consequences for us and for freedom.

Viet-Nam must have a reasonable degree of safety now—both for her people and for her property. Because of these facts, military as well as economic help is currently needed in Viet-Nam.

We reach the inescapable conclusion that our own national interests demand some help from us in sustaining in Viet-Nam the morale, the economic progress, and the military strength necessary to its continued existence in freedom.

Viet-Nam is just one example. One-third of the world's people face a similar challenge. All through Africa and Southern Asia people struggle to preserve liberty and improve their standards of living, to maintain their dignity as humans. It is imperative that they succeed.

But some uninformed Americans believe that we should turn our backs on these people, our friends. Our costs and taxes are very real, while the difficulties of other peoples often seem remote from us.

But the costs of continuous neglect of these problems would be far more than we must now bear—indeed more than we could afford. The added costs would be paid not only in vastly increased outlays of money but in larger drafts of our youth into the military establishment and in terms of increased danger to our own security and prosperity.

No matter what areas of Federal spending must be curtailed—and some should—our safety comes first. Since that safety is necessarily based upon a sound and thriving economy, its protection must equally engage our earnest attention.

Trade-Deficit Problems of Japan

As a different kind of example of free-nation interdependence, there is Japan, where very different problems exist, but problems equally vital to the security of the free world. Japan is an essential counterweight to Communist strength in Asia. Her industrial power is the heart of any collective effort to defend the Far East against aggression.

Her more than 90 million people occupy a country where the arable land is no more than that of California. More than perhaps any other industrial nation, Japan must export to live. Last year she had a trade deficit. At one time she had a thriving trade with Asia, particularly with her

nearest neighbors. Much of it is gone. Her problems grow more grave.

For Japan there must be more free-world outlets for her products. She does not want to be compelled to become dependent as a last resort upon the Communist empire. Should she ever be forced to that extremity, the blow to free-world security would be incalculable; at the least it would mean for all other free nations greater sacrifice, greater danger, and lessened economic strength.

What happens depends largely on what the free-world nations can and will do. Upon us, upon you here in this audience, rests a heavy responsibility. We must weigh the facts, fit them into place, and decide on our course of action.

For a country as large, as industrious, and as progressive as Japan to exist with the help of grant aid by others presents no satisfactory solution. Furthermore, for us, the cost would be, over the long term, increasingly heavy. Trade is the key to a durable Japanese economy.

One of Japan's greatest opportunities for increased trade lies in a free and developing Southeast Asia. So we see that the two problems I have been discussing are two parts of a single one—the great need in Japan is for raw materials; in Southern Asia it is for manufactured goods. The two regions complement each other markedly. So, by strengthening Viet-Nam and helping insure the safety of the South Pacific and Southeast Asia, we gradually develop the great trade potential between this region, rich in natural resources, and highly industrialized Japan, to the benefit of both. In this way freedom in the Western Pacific will be greatly strengthened and the interests of the whole free world advanced. But such a basic improvement can come about only gradually. Japan must have additional trade outlets now. These can be provided if each of the industrialized nations in the West does its part in liberalizing trade relations with Japan.

One thing we in America can do is to study our existing trade regulations between America and Japan. Quite naturally we must guard against a flooding of our own markets by goods, made in other countries, to the point where our own industries would dry up. But the mere imposition of higher and higher tariffs cannot solve trade problems even for us, prosperous though we be. We too must export in order to buy, and we must buy if we are to sell our surpluses abroad.

Moreover, unless Japan's exports to us are at least maintained at approximately their present levels, we would risk the free-world stake in the whole Pacific.

There is another fact that bears importantly upon this situation. In international trade our competitors are also our customers. Normally, the bigger the competitor, the bigger the customer. Japan buys far more from us—from the United States—than she sells to us. She is our second largest customer, second only to Canada. Last year she bought \$800 million in machinery, chemicals, coal, cotton, and other items—and thus made jobs for many thousands of Americans. She paid for these with American dollars earned largely from the goods she sold to us. If she had earned more dollars she would have bought more goods, to our mutual advantage and the strengthening of freedom.

Challenge of West Berlin

Now I turn to one other case, where the hard realities of living confront us with still a further challenge. I refer to West Berlin, a city of over 2 million people whose freedom we are pledged to defend.

Here we have another problem but not a unique one. It is part of a continuing effort of the Communist conspiracy to attain one overriding goal: world domination.

Against this background we understand that the mere handing over of a single city could not possibly satisfy the Communists, even though they would particularly like to eliminate what has been called the free world's showcase behind the Iron Curtain. Indeed, if we should acquiesce in the unthinkable sacrifice of 2 million free Germans, such a confession of weakness would dismay our friends and embolden the Communists to step up their campaign of domination.

The course of appeasement is not only dishonorable; it is the most dangerous one we could pursue. The world paid a high price for the lesson of Munich, but it has learned the lesson well.

We have learned, too, that the costs of defending freedom—of defending America—must be paid in many forms and in many places. They are assessed in all parts of the world—in Berlin, in Viet-Nam, in the Middle East, here at home. But wherever they occur, in whatever form they ap-

pear, they are first and last a proper charge against the national security of the United States.

Because mutual security and American security are synonymous.

These costs are high, but they are as nothing to those that would be imposed upon us by our own indifference and neglect or by weakness of spirit.

And though weakness is dangerous, this does not mean that firmness is mere rigidity, nothing but arrogant stubbornness. Another fact, basic to the entire problem of peace and security, is that America and her friends do not want war. They seek to substitute the rule of law for the rule of force, the conference table for the battlefield.

These desires and their expressions are not propaganda. They are aspirations felt deeply within us; they are the longings of entire civilizations based upon a belief in God and in the dignity of man. Indeed, they are the instinctive hopes that people feel in all nations, regardless of curtains. People everywhere recoil from the thought of war as much as do any of us present here in this peaceful gathering.

Tensions are created primarily by governments and individuals that are ruthless in seeking greater and more extensive power. Berlin is a tension point because the Kremlin hopes to eliminate it as part of the free world. And the Communist leaders have chosen to exert pressure there at this moment. Naturally they always pick the most awkward situation, the hard-to-defend position, as the place to test our strength and to try our resolution. There will never be an easy place for us to make a stand, but there is a best one.

That best one is where principle points. Deep in that principle is the truth that we cannot afford the loss of any free nation, for whenever freedom is destroyed anywhere we are ourselves, by that much, weakened. Every gain of communism makes further defense against it harder and our security more uncertain.

True Meaning of Mutual Security

A free America can exist as part of a free world, and a free world can continue to exist only as it meets the rightful demands of people for security, progress, and prosperity. That is why the development of south Viet-Nam and Southeast Asia is important, why Japanese export trade is important, why firmness in Berlin is important.

It is why Communist challenges must always be answered by the free world standing on principle, united in strength and in purpose.

This is the true meaning of mutual security.

It is the idea that, by helping one another build a strong, prosperous world community, free people will not only win through to a just peace but can apply their wonderful, God-given talents toward creating an ever-growing measure of man's humanity to man.

But this is something that will come only out of the hard intellectual effort of disciplined minds. For the future of our country depends upon enlightened leadership, upon the truly understanding citizen.

The Challenge of Soviet Power

by Allen W. Dulles

*Director of Central Intelligence*¹

The challenge of Soviet power presents today a triple threat: first, military; second, economic; and third, subversive.

This challenge is a global one. As long as the principles of international communism motivate the regimes in Moscow and Peiping, we must expect that their single purpose will be the liquidation of our form of free society and the emergence of a Sovietized, communized world order.

They change their techniques as circumstances dictate. They have never given us the slightest reason to hope that they are abandoning their overall objective.

We sometimes like to delude ourselves into thinking that we are faced with another nationalistic power struggle, of which the world has seen so many. The fact is that the aims of the Communist International with its headquarters in Moscow are not nationalistic; their objectives are not limited. They firmly believe and eloquently

We look to the citizen who has the ability and determination to seek out and to face facts, who can place them in logical relationship one to another, who can attain an understanding of their meaning and then act courageously in promoting the cause of an America that can live, under God, in a world of peace and justice. These are the individuals needed in uncounted numbers in your college, your country, and your world.

Over the 127 years of Gettysburg College's existence, its graduates have, in many ways, served the cause of freedom and of justice. May the years ahead be as fruitful as those which you now look back upon with such pride and with such satisfaction.

preach that communism is the system which will eventually rule the world, and each move they make is directed to this end. Communism, like electricity, seeks to be an all-pervasive and revolutionary force.

To promote their objectives they have determined—cost what it may—to develop a military establishment and a strong national economy which will provide a secure home base from which to deploy their destructive foreign activities.

Soviet Military Establishment

To achieve this objective they are devoting about twice as much of their gross national product to military ends as we do. The U.S.S.R. military effort as a proportion of GNP is greater than that of any other nation in the world. Their continuous diversion of economic resources to military support is without any parallel in peacetime history.

We estimate that the total value of their current annual military effort is roughly equivalent

¹ Address made before the Edison Electric Institute at New Orleans, La., on Apr. 8.

to our own. They accomplish this with a GNP which is now less than half of our own.

Here are some of the major elements which go into their military establishment. The Soviet Union maintains an army of 2½ million men, and the tradition of universal military training is being continued. The Soviet Army today has been fully reequipped with a post-World War II arsenal of guns, tanks, and artillery. We have reason to believe the army has already been trained in the use of tactical nuclear weapons.

They have the most modern types of aircraft for defense: night and day fighters, a very large medium-bomber force, and some long-range bombers. They have built less of these long-range bombers than we had expected several years ago and have diverted a major effort to the perfection of ballistic missiles.

Their submarine strength today is many times that with which Germany entered World War II. They have over 200 long-range, modernized submarines and a like number of less modern craft. They have made no boasts about nuclear powered submarines, and on all the evidence we are justified in concluding that we are ahead of them in this field. We must assume, however, that they have the capability to produce such submarines and will probably unveil some in the near future.

Ballistic Missile Situation

I would add a word on the ballistic missile situation.

When World War II ended the Soviet acquired much of the German hardware in the missile field—V-1 and V-2—and with them many German technicians. From that base, over the past 10 years, they have been continuously developing their missile capability, starting with short-range and intermediate-range missiles. These they have tested by the hundreds and have been in production of certain models for some time.

They also early foresaw that, in their particular geographical position, the long-range ballistic missile would become their best instrument in the power struggle with their great rival, the United States. As the size and weight of powerful nuclear weapons decreased with the improvement of the art, they became more and more persuaded of this. Hence they have concentrated on these weapons, have tested some, and assert that they now have ICBM's in serial production.

They hope in this way eventually to be able to

hold the U.S. under the threat of nuclear attack by ICBM's while they consolidate their position in the fragile parts of the non-communistic world.

Before leaving the military phase of the Soviet threat, I want to dispel any possible misinterpretations. First, I do *not* believe that the Soviet now have military superiority over us; and second, I do *not* believe that they desire deliberately to provoke hostilities with the U.S. or the Western World at this time. They are well aware of our deterrent force. They probably believe that the risks to them, even if they resorted to surprise attack, would be unacceptable.

Taking into account our overall military strength and our strategic position vis-a-vis the Soviet Union, I consider that our military posture is stronger and our ability to inflict damage is today greater than that of the Soviet Union.

Furthermore, we have allies. The strength, the dependability, and the dedication of our allies put them in a very different category than the unwilling and undependable allies of Moscow, even including the Chinese Communists.

But as the Soviet military capabilities and their nuclear power grow, they will feel that their foreign policy can be somewhat more assertive. In 1956, during the Suez crisis, we had the first Soviet missile-rattling as a new tactic of Moscow diplomacy. Since then there have been the Taiwan Straits and Berlin crises and today the aggressive Communist penetration of Iraq. Hence we must assume that they will continue to probe and to test us, and they may even support other countries in aggression by proxy. They will put us to the test.

There are two points to keep in mind as we view the military future. Firstly, with a much lower industrial base than we, they are producing a military effort which is roughly equivalent to our own; and secondly, they have conditioned their people to accept very real sacrifices and a low standard of living to permit the massive military buildup to continue. If the Soviet should decide to alter their policy so as to give their own people a break in the consumer field with anything like the share in their gross national product which we, as a people, enjoy, the prospects of real peace in our time would be far greater.

Soviet "Economic Order of Battle"

I will turn now to some of the highlights of the economic aspect of the Soviet challenge.

The new confidence of Khrushchev, the shrewd and vocal leader of the Soviet Communist Party and incidentally Head of Government, does not rest solely on his conviction that he, too, possesses a military deterrent. He is convinced that the final victory of communism can be achieved mainly by nonmilitary means. Here the Soviet economic offensive looms large.

The proceedings of the recent 21st Party Congress laid out what we might call the Soviet economic order of battle.

Khrushchev explained it in these words, to summarize the 10 hours of his opening and closing remarks:

The economic might of the Soviet Union is based on the priority growth of heavy industry; this should insure the Soviet victory in peaceful economic competition with the capitalist countries; development of the Soviet economic might will give communism the decisive edge in the international balance of power.

In the short space of 30 years the Soviet Union has grown from a relatively backward position into being the second largest industrialized economy in the world. While their headlong pace of industrialization has slowed down moderately in the past few years, it still continues to be more rapid than our own. During the past 7 years, through 1958, Soviet industry has grown at the annual rate of 9½ percent. This is not the officially announced rate, which is somewhat larger. It is our reconstruction and deflation of Soviet data.

Our own industrial growth has been at the annual rate of 3.6 percent for the 7 years through 1957. If one included 1958, the comparison with the rate of Soviet growth would be even less favorable.

Investment for National Policy Purposes

I do not conclude from this analysis that the secret of Soviet success lies in greater efficiency. On the contrary. In comparison with the leading free-enterprise economies of the West the Communist state-controlled system is relatively inefficient.

The secret of Soviet progress is simple. It lies in the fact that the Kremlin leaders direct a far higher proportion of total resources to national policy purposes than does the United States. I define national policy purposes to include, among other things, defense and investment in heavy industry.

With their lower living standards and much lower production of consumer goods, they are in effect plowing back into investment a large section of their production—30 percent—while we in the United States are content with 17 to 20 percent. Soviet investment in industry as planned for 1959 is about the same as U.S. investment in industry during 1957, which so far was our best year.

Although the Soviets in recent years have been continually upping the production of consumer goods, their consuming public fares badly in comparison with ours. Last year, for example, Soviet citizens had available for purchase barely one-third the total goods and services available to Americans. Furthermore, most of the U.S. output of durable consumer goods is for replacement, while that of the U.S.S.R. is for first-time users. In summary, the Soviet economy is geared largely to economic growth and for military purposes; ours is geared largely to increasing consumer satisfactions and building a higher standard of living.

Here are some examples:

While the Soviets last year were producing only 1 automobile for every 50 we produced, they were turning out 4 machine tools to our 1.

This contrast in emphasis carries through in many other fields. Our capital expenditure for transportation and communications is more than double the comparable Soviet expenditure. Yet this is largely accounted for by our massive highway building program, which has been running 15 to 20 times the U.S.S.R. spending, whereas their annual investment in railroad rolling stock and fixed assets substantially exceeds ours.

At the moment they do not feel much incentive in the roadbuilding field. They have no interest in having their people travel around on a massive scale. Also this would put pressure on the Kremlin to give the people more automobiles.

Commercial investment, which includes stores, shopping centers, drive-in movies, and office buildings, has been absorbing over \$6 billion a year in the U.S., and only \$2 billion in the U.S.S.R.

Our housing investment is roughly twice that of the Soviet, even though living space per capita in the U.S. is already four times that of the U.S.S.R.

Industrial Production Trends

What of the future? In Khrushchev's words, "The Soviet Union intends to outstrip the United

States economically. . . . To surpass the level of production in the United States means to exceed the highest indexes of capitalism."

Khrushchev's ambitious 7-year plan establishes the formidable task of increasing industrial production about 80 percent by 1965.

Steel production, according to the plan, is to be pushed close to 100 million net tons. Cement output is set at a level somewhat higher than industry forecasts place United States production in 1965.

The energy base is to be revolutionized. Crude oil and natural gas will constitute more than one-half of the total energy supply, and relatively high-cost coal will be far less important than now.

By 1965 the U.S.S.R. plans to produce about 480 billion kilowatt hours of electricity. As a study comparing U.S. and U.S.S.R. electric power production prepared by a leading industrial research group pointed out, this means that the absolute gap between the U.S. and U.S.S.R. in the quantities of electricity generated will increase somewhat in our favor over the next 7 years.

This interesting study received a considerable amount of deserved publicity. We agree with its conclusion. However, what is true about electric power is not true across the board, as some commentators concluded.

For example, compare primary energy production trends in the two countries. Soviet production of coal, petroleum, natural gas, and hydroelectric power, expressed in standard fuel units, amounted to 45 percent of the U.S. production in 1958. By 1965 it will be close to 60 percent. The absolute gap in primary energy has been closing since 1950. At the present pace it will continue to narrow over the next 7 years.

Similarly, the absolute gap in steel *production* has been shrinking over the past 5 years. The maximum gap in steel *capacity* apparently was reached in 1958.

The comforting illusion spread by the "disciples of the absolute gap" should not serve as a false tranquilizer.

Soviet Exaggerations

At the same time it is important not to exaggerate Soviet prospects in the economic race. In the propaganda surrounding the launching of the 7-year plan, Khrushchev made a number of statements about Soviet economic power which were

nothing more than wishful thinking. Specifically he stated that "after the completion of the 7-year plan, we will probably need about 5 more years to catch up with and outstrip the United States in industrial output." "Thus," he added, "by that time [1970], or perhaps even sooner, the Soviet Union will advance to first place in the world both in absolute volume of production and in per capita production."

First of all, to reach such improbable conclusions the Kremlin leaders overstate the present comparative position. They claim U.S.S.R. industrial output to be 50 percent of that of the U.S. Our own analyses of Soviet industrial output last year concluded that it was not more than 40 percent of our own.

Secondly, Khrushchev forecasts that our future industrial growth will be only 2 percent a year. If this is true, the United States will be virtually committing economic suicide. This prediction I regard as unrealistic.

A saner projection would place 1965 Soviet industrial production at about 55 percent of our own. By 1970, assuming the same relative rates of growth, U.S.S.R. industrial output as a whole would be about 60 percent of that in the United States.

Further, when Khrushchev promises his people the world's highest standard of living by 1970, this is patently nonsense. It is as though the shrimp had learned to whistle, to use one of his colorful comments.

Implications of Soviet Economic Progress

These Soviet exaggerations are a standard tool of Communist propaganda. Such propaganda, however, should not blind us to the sobering implications of their expected economic progress.

First of all, rapid economic growth will provide the Kremlin leaders with additional resources with which to intensify the arms race. If recent trends and present Soviet policies continue, Soviet military spending could increase by over 50 percent in the next 7 years without increasing the relative burden on their economy.

Secondly, some additional improvement can be made in the standards of living of the Russian people, even with continued emphasis on heavy industry and armaments. It is only since the death of Stalin in 1953 that serious attention has been given to improving living standards. The

moderate slowdown in the headlong growth of heavy industry which then ensued has been caused in large part by the diversion of more resources to housing, to agriculture, and to consumer goods.

Living standards, based on present Soviet plans, are expected to increase about one-third over the next 7 years. This level, if achieved, will still be far below that which our own citizens are now enjoying, but it will look good to people who for long have been compelled to accept very low standards.

Finally, the Soviet 7-year plan, even if not fully achieved, will provide the wherewithal to push the expansion of trade and aid with the uncommitted and underdeveloped nations of the free world. By 1965 Soviet output of some basic raw materials and some industrial products will be approaching, and in a few cases exceeding, that of the United States. Most prominently, these products will be the kind that are needed for industrialization in the less developed countries.

The outcome of this contest—the Communist challenge in underdeveloped areas—is crucial to the survival of the free world.

Communist Trade-and-Aid Programs

This is an unprecedented epoch of change. Within little more than 10 years, over three-quarters of a billion people in 21 nations have become independent of colonial rule. In all of these newly emergent countries there is intense nationalism coupled with the determination to achieve a better way of life, which they believe industrialization will bring them.

The leaders of world communism are alert to the opportunity which this great transformation provides them. They realize the future of communism can be insured only by expansion and that the best hope of such expansion lies in Asia and Africa. While they are attempting to focus all our concern on Berlin, they are moving into Iraq with arms, economic aid, and subversion and giving added attention to Africa.

The Communist bloc trade-and-aid programs in undeveloped countries moved into high gear during 1958. The equivalent of over \$1 billion in new credits was extended to underdeveloped countries by the bloc in this year. In the 4-year period ending 1958 the total of grants and credits totaled \$2.5 billion, of which \$1.6 billion came from the U.S.S.R. and the balance from the satel-

lites and China. Three-fifths of the total delivered to date has been in the form of arms to the U.A.R.—Egypt and Syria—Yemen, Iraq, Afghanistan, and Indonesia. These same countries, plus India, Argentina, Ceylon, Burma, and Cambodia, have received the bulk of the economic aid.

Over 4,000 bloc technicians have been sent to assist the development of nations in the free world. About 70 percent of these technicians are engaged in economic activities. Others are reorganizing local military establishments and teaching bloc military doctrine to indigenous personnel.

The bloc also has a well-developed program for training students from underdeveloped countries. About 3,200 students, technicians, and military specialists have now received such training behind the Iron Curtain.

While these figures are still well below the total of our own aid, loan, and training programs, this massive economic and military aid program is concentrated in a few critical countries, and of course these figures do not include Soviet aid and trade with the East European satellites and Communist China.

India, which has received over \$325 million of bloc grants and credits, is a primary recipient. The Soviet economic showplace here is the Bhilai steel mill, being built by the Russians. The U.A.R. over the past 4 years received over \$900 million in aid and credits. This investment today does not seem quite as profitable to the Soviet as it did last year.

Iraq provides a prime example of the opportunistic nature of the bloc's aid program. Prior to the coup d'etat on July 14th last year, Iraq's economic involvement with Communist nations had been negligible. In the past few months the U.S.S.R. has provided over \$250 million in military and economic development credits. The Iraq Development Board has dropped its two Western advisers. Western technicians are also being dismissed and contracts with many Western firms canceled. Increasingly, Moscow is pressuring the Iraq Government to accept dependence on Communist support, and the number of fellow travelers in high government posts is growing.

Communist Campaign of Subversion

The Soviet policy of economic penetration fits like a glove into their worldwide campaign of subversion, which is the third main element of

the triple Soviet challenge: military, economic, and subversive.

International communism has not changed its operating procedure since the days of the Comintern and the Cominform. The Communist Party of the U.S.S.R., of which Khrushchev is the leader, is the spearhead of the movement. It has a worldwide mission, formulated by Lenin and Stalin and now promoted by Khrushchev but with more subtle techniques than those of Stalin. This mission continues to be the subversion of the entire free world, starting of course with those countries which are most vulnerable.

Its arsenal of attack is based, first of all, on the Communist Parties of the Soviet Union and Communist China. These in turn direct the hard-core Communist organizations which exist in practically every country of the world. Every Communist Party maintains its secret connections with Moscow or, in case of certain of the Communist parties in the Far East, with Peiping.

These parties also have an entirely overt association with the international Communist movement. At the 21st meeting of the Soviet Party Congress there were present representatives of some 60 Communist parties throughout the world, including two representatives of the U.S. Communist Party. The single theme of these Communist leaders was their confidence in the eventual worldwide triumph of the Communist movement.

From time to time Moscow has made agreements, such as the Litvinov pact in 1933, not to interfere in the internal affairs of other countries. On the strength of this we resumed relations with the Soviet. They are eager to conclude like agreements of "friendship and nonaggression" with all countries of the world. These are not worth the paper they are written on. During World War II Moscow abolished the international Comintern to propitiate the United States, its then wartime ally. Its functions have, however, been carried on continuously under other forms.

In addition to its worldwide penetration through Communist Party organizations, the Communists in Moscow and Peiping have set up a whole series of front organizations to penetrate all segments of life in the free countries of the world. These include the World Federation of Trade Unions, which claims some 90 million members throughout the world. International

organizations of youth and students stage great festivals at frequent intervals. This summer they are to meet in Vienna. This is the first time they have dared meet outside of the Iron Curtain.

They have the Women's International Democratic Federation, the World Federation of Teachers Unions, the International Association of Democratic Lawyers, and Communist journalists and medical organizations. Then cutting across professional and social lines, and designed to appeal to intellectuals, the Communists have created the World Peace Council, which maintains so-called peace committees in 47 countries, gaining adherents by trading on the magic word of "peace."

To back up this massive apparatus the Soviet has the largest number of trained agents for espionage and secret political action that any country has ever assembled. In Moscow, Prague, and Peiping, and other Communist centers, they are training agents recruited from scores of other countries to go out as missionaries of communism into the troubled areas of the world. Much of the Middle East and Southeast Asia, and particularly black Africa, are high on their target list. They do not neglect this hemisphere, as recent disclosures of Communist plotting in Mexico show us. Their basic purpose is to destroy all existing systems of free and democratic government and disrupt the economic and political organizations on which these are based. Behind their Iron Curtain they ruthlessly suppress all attempts to achieve more freedom—witness Hungary and now Tibet.

The task of destruction is always easier than that of construction. The Communist world, in dealing with the former colonial areas and the newly emerging nations of the world, has appealing slogans to export and vulnerable economic conditions to exploit. The fragile parliamentary systems of new and emerging countries are fertile ground for these agitators.

Also under the heading of subversion we must not overlook the fact that the Communist leaders have sought to advance their cause by local wars by proxy—Korea, Viet-Nam, Malaya are typical examples.

In conclusion I wish to emphasize again the pressing need for a clearer understanding of the real purpose of the Sino-Soviet program. There is no evidence that the present leaders of the Com-

munist world have the slightest idea of abandoning their goal or of changing the general tactics of achieving them.

Those who feel we can buy peace by compromise with Khrushchev are sadly deluded. Each concession we give him merely strengthens his position and prestige and the ability of the Soviet regime to continue its domination of the Russian people, whose friendship we seek.

Our defense lies not in compromise but in understanding and firmness, in a strong and ready deterrent military power, in the marshaling of our economic assets with those of the other free countries of the world to meet their methods of economic penetration, and finally in the unmasking of their subversive techniques.

The overall power of the free world is still vastly superior to that under the control of the leaders of international communism. If they succeed and we fail, it will only be because of our complacency and because they have devoted a far greater share of their power, skill, and resources to our destruction than we have been willing to dedicate to our own preservation.

They are not supermen. Recently they have made a series of blunders which have done what words could not do to help us unmask their true intentions. These very days Communist actions in Iraq and Tibet have particularly aroused Muslims and Buddhists against international communism. The institution of the so-called commune system on the China mainland has shocked the free world, and even the Soviet leaders apologetically refuse to endorse it.

Despite the problems surrounding the Berlin issue, Western Europe is stronger than it ever has been since World War II. Much of free Asia and the Middle East is becoming alerted to the true significance of communism.

The outcome of the struggle against international communism depends in great measure upon the steadfastness of the United States and its willingness to accept sacrifices in meeting its responsibility to help maintain freedom in the world.

U.S. and Canadian National Libraries Exchange Gifts of Research Materials

The U.S. Library of Congress announced on April 7 that gifts of important research materials for the national libraries of the United States and Canada would be exchanged in ceremonies at Ottawa on April 8 as part of the celebration of National Library Week being observed in both countries from April 12 to 18.

Roy P. Basler, director of the reference department of the Library of Congress and an honorary member of the Lincoln Sesquicentennial Commission, presented to Canada's Prime Minister John Diefenbaker, on behalf of the Library of Congress, a significant group of Lincoln materials for the National Library of Canada. On its behalf, the Prime Minister presented an important body of materials relating to U.S. economic history to Dr. Basler for the Library of Congress.

Canada's gift to the Library of Congress was a microfilm of the Baring Papers from the collection in the public archives of Canada. Relating to the period from 1818 to 1872 and consisting of 88,000 pages, these documents concern operations in Canada, the United States, and Latin America of Baring Brothers and Co., Ltd., the venerable mercantile banking house of London, and are of great importance in the study of the economic history of the United States.

The Library of Congress presented to Canada a variety of historical source materials relating to Lincoln. Included were a microfilm of the Robert Todd Lincoln Collection of the Papers of Abraham Lincoln, a collection of more than 18,000 documents which for the most part have never been published; *The Collected Works of Abraham Lincoln*, in eight volumes, edited under the direction of Dr. Basler; a facsimile of Lincoln's scrapbook containing clippings of the famous Lincoln-Douglas debates; a reproduction of a letter from Queen Victoria written in 1865 to Mrs. Lincoln; and a catalog of the Sesquicentennial Exhibition in the Library of Congress.

Soviet Diplomacy: A Challenge to Freedom

by Francis O. Wilcox

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There is no more important question in world politics today than the subject of this meeting—the future of Soviet-American relations. I believe that the character of the relations between the U.S.S.R. and the United States and our allies will determine the nature of man's life on this planet for generations to come. It may indeed determine whether that life itself will continue or be abruptly snuffed out. In resolving this question the role of diplomacy is highly important.

Therefore I would like to explore with you certain aspects of Soviet diplomacy which have a significant bearing on Soviet relationships with the free world.

The Central Challenge

Reduced to its essentials, the key question confronting us is this: Can a democratic, free-enterprise, open society successfully compete in diplomacy with a totalitarian, centrally controlled society which is able to marshal its total resources in support of its foreign policy objectives?

In a little more than 40 years the U.S.S.R. has changed from a comparatively backward, agricultural country to the second-ranking industrial nation in the world. Its gross national product is now increasing between 6 and 7 percent annually. Mr. Khrushchev confidently looks forward to the day when the economy of the Soviet Union will surpass that of the United States. Soviet technical capacity is forcefully demonstrated by the fact the Soviet Union launched the first satellite into outer space. Soviet development of intercontinental ballistic missiles underscores its present military potential.

Every facet of the U.S.S.R.'s regimented society—economic, scientific, social, cultural, and psychological—as well as political and military—is at the constant and immediate disposal of Soviet diplomacy.

In contrast, in the conduct of foreign policy our Government is accountable to the Congress and the people of the United States, whom its Members represent. It must also take into account varied sectional and group interests. Mr. Khrushchev, however, is accountable mainly to himself, and perhaps a few of his Kremlin colleagues.

Mr. Khrushchev's ability to take independent decisions enables him to move swiftly in using trade with other nations to advance the U.S.S.R.'s foreign policy objectives. The Soviets offer guns and grains to carefully selected countries in order to reap maximum political advantages. They extend long-term, low-interest loans. They buy up surplus commodities—which they may not need—if it is in their national interest to do so. Whether or not these transactions are essential to their economy is immaterial to the Soviets. "We value trade least for economic reasons and most for political purposes," Mr. Khrushchev has said.

On this basis it may seem that the struggle is an unequal one. A free society, which must constantly be responsive to the pressures of public opinion, cannot move with the speed and monolithic force of a totalitarian state.

Let me emphasize, however, that free societies have invariably proved more resilient, creative, and enduring than those under the deadening hand of dictatorship.

The United States has simultaneously achieved the greatest industrial capacity and the highest standard of living known to man. We have built a defense establishment which protects us and the free world against the threat of surprise at-

¹Address made before the American Academy of Political and Social Science at Philadelphia, Pa., on Apr. 10 (press release 253 dated Apr. 9).

tack. In cooperation with other free nations we have developed a system of collective security arrangements which serve as a formidable deterrent to Communist aggression anywhere. Our Marshall plan prevented a Communist takeover of an economically exhausted and prostrate Western Europe after World War II, and our foreign aid programs have enabled free nations to develop on an increasing scale their economic and social well-being.

These achievements can scarcely be called the dying gasps of a decadent capitalism as the Soviets would have it. On the contrary, they offer to the free world its greatest hope for a just peace and a cooperative way of life for free men in the future.

Of course, the diplomatic arrangements of the free world may at times appear cumbersome. This is inherent in the nature of the alliance. Nevertheless, free-world diplomacy has demonstrated tremendous strength. The position of the free world is based on real and mutual interests. Our allies are partners and not puppets. Each country understands the stakes. Each appreciates the basis for action. Each wants to cooperate in a positive way in the common interest. The recent 10th anniversary meetings of the NATO Council clearly demonstrate this.²

The handicaps of freedom in this struggle are therefore apparent rather than real. Its strengths are great. Not the least of these is the faith of the free world's people in the virtue and durability of freedom itself—a faith based on experience. In my judgment, this faith—this belief in the dignity and worth of the human being—is an element of strength which gives our military power vitality and direction. This is an unbeatable combination which the Soviet Union does not have.

Changes in Soviet Diplomacy

In 1946 Josef Stalin asserted that the wartime partnership between the U.S.S.R. and its Western allies had been a mere expedient. This set the pattern of postwar Soviet diplomacy. He served notice that war was inevitable until international communism had supplanted capitalism. Stalin even went so far as to blueprint the economic planning which would give to the Soviet Union a mighty arsenal to wage the “inevitable” war.

² BULLETIN of Apr. 20, 1959, p. 543.

Stalin's successors, on the other hand, have consistently preached the virtue of “peaceful co-existence.” Nevertheless the long-range goal of Soviet foreign policy has remained constant—world domination. Soviet foreign policy has been made up largely of a series of probes seeking out free-world vulnerabilities or attempting to create them. Its record is studded with such probes: Iran, Greece, the Berlin blockade, and—through its Far Eastern partner, the Red Chinese—aggressive actions against Korea, Viet-Nam, the Taiwan Strait, and Tibet—to mention only a few. The latest and most immediate of these is the current crisis in Germany.

The German Crisis

Let us examine just what the situation in Berlin involves.

First of all, it is a deliberately staged and carefully timed Soviet maneuver designed in part to divide the free world. The Soviet rulers are well aware that communism flourishes in conditions of tension and unrest. They have never hesitated to attempt to create such conditions when they considered this to be in their interest.

By artificially creating a “crisis” over Berlin, they seek to divert attention from the real issues of German unification and European security. They seek to draw us into negotiations on isolated aspects of these problems whenever they think they have an advantage. Berlin is but one aspect, and certainly not the basic one, of the German problem as a whole. Many suggestions have been advanced for a solution of the “Berlin problem,” including some involving the United Nations. However, for the reasons I have mentioned the United States is not interested in discussing formulas for Berlin as an isolated question.

Second—and most important—the Soviet Union is hoping to build up the international status of the East German regime and thereby bring about the permanent division of Germany. This is the only way its puppet regime, the so-called “German Democratic Republic,” can survive. In the longer run the future of the satellite empire of Eastern Europe likewise hangs in the balance.

Finally, the Soviet Union hopes to eliminate the monument to freedom which West Berlin constitutes deep inside the Communist bloc. However, as long as West Berlin and the Federal Republic of Germany are allied with the West and

remain strong in their determination to maintain their freedom, they will stand as a symbol of the right of the German people freely to determine their future. Given this situation, the Soviets will not be able to achieve their objectives.

That is why the Soviet Union is now trying to launch a course of events designed to extend its rule to Germany as a whole and to exclude free-world influence in the area. The aim of the Soviet Union is not only to bring about the withdrawal of all Western forces from Berlin but also the withdrawal of all American forces from the Continent.

Having said this, it should be clear how vital a stake we have at this moment in Germany and in Berlin. Our forces are in West Berlin as a matter of right, on the basis of solemn international obligations to which the Soviet Union is a party. Mr. Khrushchev's proposals mean simply that the Soviet Union is now threatening, deliberately and unilaterally, to disregard these obligations if we do not agree to conclude a "peace treaty" with Germany on Soviet terms.

President Eisenhower emphasized an important principle in his speech to the Nation on March 16.³ He made clear that we cannot accept the right of any government to break, unilaterally, solemn agreements to which we and others are parties. This principle must be upheld.

You will recall that for more than a decade the Western powers have been trying, in every feasible way, to bring about the unification of Germany. The Soviet Union has frustrated every such effort. One scarcely need ask why.

Establishment of a free, unified Germany does not coincide with the long-range objectives of the Soviet Union. At the least it would mean postponing the communization of Europe, which remains a Soviet goal of long standing.

The course we should pursue in these circumstances is clear. We must never succumb to Soviet blandishments. Our heritage of freedom requires us to stand firm. At the same time we must make unmistakably clear our willingness and readiness to engage, as reasonable men should, in meaningful negotiations.

Such negotiations must have as their primary purpose the maintenance of our rights in Berlin until the unification of Germany is achieved under conditions which will assure its people of their right to a government of their own choosing. We

cannot and we will not betray the trust of those millions of free Germans who depend upon the free world to protect them.

Since World War I we have repeatedly seen that hesitation and lack of resolution on the part of free countries invite aggression. As President Eisenhower recently declared,⁴

. . . all history has taught us the grim lesson that no nation has ever been successful in avoiding the terrors of war by refusing to defend its rights. . . . The risk of war is minimized if we stand firm.

Even with good faith on both sides—which the Soviet Union has not always demonstrated—we cannot hope to settle the complex problem of Germany overnight. We can, however, continue to expect that a sound beginning can be made. Firmness, combined with reasonableness, now may be the most important key to meaningful negotiations with the Soviet Union. To follow any other course would invite the gravest perils to all we hold dear.

Disarmament

The problem of disarmament gives us yet another vantage point from which to view the challenge of Soviet diplomacy to the free world. Here the use of diplomacy to achieve the objectives of international communism has been subordinated to certain traditional Russian attitudes and concepts. These apparently must be maintained in order to perpetuate the present Soviet system.

Traditionally both imperial and Soviet Russia have suspected, distrusted, and even feared nearly everything foreign. They have normally regarded the outsider as a threat to the system imposed on the Russian people. We cannot afford to ignore this facet of Russian behavior, which is one of the driving forces of Soviet disarmament policy.

The United States and its allies have consistently sought agreement on comprehensive and balanced disarmament under effective international control. Such control naturally requires sufficient inspection on both sides in order to be reasonably certain that the terms of any agreement are in fact lived up to. In our proposals inspection involves entry into the territory of the parties to the agreement, although both the United States and the United Nations have made clear it must be carried out in such a way that no state would have cause to feel its security is endangered. It is on the question of

³ *Ibid.*, Apr. 6, 1959, p. 467.

⁴ *Ibid.*

inspection, however, that we have encountered almost insurmountable difficulties with the Soviet Union.

We remain ready and willing to negotiate effective disarmament agreements. We are prepared to permit Soviet representatives to participate in inspection arrangements in our territory. We do not fear their presence. In the circumstances envisaged, we would have nothing to hide.

The Soviet Union, on the other hand, continues to fear the presence and the impact of Western representatives in its territory. Consequently, it resists—almost psychopathically—effective international inspection.

Let me give you some illustrations. Shortly after World War II, when the United States had a nuclear monopoly, we submitted the so-called Baruch plan for the international control of atomic energy. This plan, which was one of the most generous proposals made in the history of sovereign states, was designed to insure that man's new knowledge of the atom would be used for the good of mankind. It provided for certain inspection and control arrangements to this end. This would have opened the Soviet Union—and the United States—to foreign inspectors. The Soviet Union rejected the plan.

Since last October we have sought to negotiate an agreement with the Soviet Union for the discontinuance of nuclear weapons tests under an effective control system. When free-world and Soviet experts agreed last summer⁵ that it was possible to establish an effective control system to police an agreement to discontinue testing, we were hopeful that this indicated a significant change in Soviet attitudes. Now, after nearly 5 months of continuous negotiations with the Soviets, we find ourselves up against the same old stumbling block—the question of inspection and control.

The Geneva nuclear test talks are now stalled on three key issues. These are the question of the veto, the question of on-site inspection of suspected violations of the agreement, and the staffing of the control posts. On each of these issues the Soviet position reflects its traditional desire to deny or restrict access to Soviet territory to foreigners.

Let us look first at the problem of the veto.

The Soviet Union insists that there must be unanimity of the United States, the United Kingdom, and the Soviet Union on all matters of sub-

stance under the agreement. This would include amendments to the treaty; all matters relating to possible treaty violations; the findings of inspection teams; the dispatch of inspection teams to investigate possible nuclear explosions; changes in the control system; positioning of control posts; and all fiscal, administrative, logistic, and personnel questions.

Obviously the application of the veto power on this broad scale would render the control system meaningless and ineffective. The Soviet Union has advanced various technical arguments to support its position, but it appears to me that its main interest is to be sure that the machinery of the control system will in no way impair the ability of the Soviet Union to isolate its people from external influences.

This Soviet attitude is further borne out by the Russian proposals concerning on-site inspections. Here, too, the Soviet Union maintains that any inspection of an explosion or an unidentified event should only be made on the basis of unanimous decision. But it is perfectly clear to us that, unless inspection teams can be dispatched without hindrance, there can be no effective control system.

The Soviet Union objects to having teams of this nature cross its frontiers because, they allege, such teams could act as a cover for espionage. We have sought to meet this fear by expressing our willingness to have the host country prescribe the routes to be taken by on-site inspection teams and to assign liaison officers to insure that the teams do not exceed their proper functions.

The control mechanism to police an agreement to discontinue nuclear weapons tests recommended by the Conference of Experts provided for establishment of control posts in various parts of the world. We believe that the supervisory and technical personnel of such control posts should *not* be nationals of the countries in which the posts are located. We are quite willing to have such posts in this country supervised by Soviet nationals. By the same token, control posts in the Soviet Union should not be supervised by Soviet citizens, but by others.

It is true that the Soviet Union has expressed willingness to accept a limited number of non-Soviet personnel in the control posts located in the Soviet Union. At the same time, it has refused to clarify the duties and privileges of such personnel. Apparently they would serve as mere

⁵ *Ibid.*, Sept. 22, 1958, p. 452.

observers. It appears that what the Soviets really want is self-inspection within their territory, which, in turn, would insure continued Soviet isolation from outside influence.

Can anyone believe that such a system, made up of Soviet inspectors, would provide us with the safeguards we need? Can anyone believe that Soviet nationals would be permitted to report Soviet violations of the agreement—and to report them promptly?

The Geneva nuclear talks will be resumed in the next few days. We sincerely hope that the Soviet Union may come to realize that the conclusion of an agreement for the discontinuance of nuclear testing, with an effective control system, is much more in its interests than its traditional policy of shutting off its territory from foreigners. Certainly, if they really want nuclear tests discontinued, we can make progress.

Time is on our side. Technological progress and constantly increasing mass communications facilities are making it more and more difficult for Soviet leaders to maintain the isolation of their people from the rest of the world. As the Soviet Union expands its own industrial and scientific facilities, contacts between the people of Soviet Russia and the free world will continue to increase. All this brings closer the day when the Soviet policy of secrecy will be abandoned and one great obstacle to controlled disarmament will be removed.

The Soviet Economic Offensive

Let us turn briefly to another aspect of Soviet diplomacy. I have mentioned the tremendously increased economic power of the Soviet Union. Armed with the formidable weapon of a totally controlled economy, Soviet diplomacy has not overlooked the golden opportunities inherent in the new wave of nationalism and the revolution of rising expectations in the underdeveloped areas.

To the Soviets in foreign trade, as in every facet of foreign policy, the end justifies the means. Soviet foreign trade has always been an absolute state monopoly with Soviet leaders able to turn trade off and on or to shift its direction to suit their strategy. Nations that become dependent upon trade with the Soviet Union for their well-being may soon discover what a dev-

astating weapon this is when it is placed in the hands of unscrupulous leaders.

Since 1954 there has been what might be called a strategic departure from the Soviet trade pattern. Eying the important prize of the newly developing countries of Asia, Africa, and Latin America, the U.S.S.R. is making a determined drive to penetrate and eventually subvert them. Since that year the Soviet Union, its satellites, and Communist China have extended \$2.4 billion worth of credits to these countries. In 1958 alone, these credits amounted to \$1 billion.

During 1957 Soviet bloc trade with underdeveloped free-world countries was \$1.7 billion. This was more than double such trade in 1954. And the upward trend is continuing.

Nor is this all. There are now 4,000 well-in-doctrinated and dedicated Soviet technicians operating in Asia, the Middle East, and Africa. This represents an increase of 65 percent in a single year.

In this connection we should not overlook the increased interest which Soviet leaders have shown in the economic, social, and humanitarian activities of the United Nations. For years they had only bitter criticism to offer for the U.N. Technical Assistance Program and the specialized agencies. More recently they have become active members of the International Labor Organization, the United Nations Educational, Scientific and Cultural Organization, the World Health Organization, and the International Atomic Energy Agency. If you can't lick them, join them, now appears to be their motto.

I might add that these economic weapons have been blended by Soviet total diplomacy with carefully calculated military assistance, propaganda, and political moves. Their short-range goal is to provoke and exploit friction between these nations and those of the West. Their long-range goal is to prepare for eventual Communist subversion and takeover.

We must not forget, however, that the United States pioneered the concept of helping the underdeveloped countries advance their social and economic well-being. Our efforts in this respect are not always publicized with the fanfare and headlines that Soviet assistance programs obtain. But our programs are designed to achieve results which are solid and lasting. Soviet foreign aid has as its purpose the furthering of the U.S.S.R.'s

goal of world domination. Our assistance from the very beginning has had but one purpose—to strengthen freedom.

I do not think it becomes a great nation like ours to boast about the assistance we have given. It is a fact, however, that the Marshall plan constitutes only a fraction of our postwar foreign aid. If we were to add the mutual security program and the contributions we have made through the Export-Import Bank, the World Bank, the International Monetary Fund, and various other types of assistance including United Nations programs, our total foreign aid would run to something like 72 billions of dollars since 1945. This figure serves as clear proof of our deep interest in helping to build a stable and a peaceful world.

Many people ask whether the United States can afford the mutual security program. My answer to them would be clear and unequivocal: Of course our economy can safely bear the cost of this program. The total mutual security appropriation for 1959, which amounts to \$3.3 billion, is only 0.75 percent of the estimated United States gross national product.

Excluding military assistance, funds for our mutual security program for all economic purposes run to about two-thirds of 1 percent of our gross national product—which is less than we spend each year for cosmetics. Our mutual security program provides us with the greatest amount of security at the lowest possible dollar cost. It assists less developed free countries to build sufficient economic strength to maintain their freedom and sustain peace. I say that it is so vital to the conduct of American foreign policy that we cannot afford *not* to have it.

Neither we nor our allies have the complete identity between government and economy that the Soviet Union has—nor, I am sure, would we wish to. But there is a long history in the West of an effective working partnership between government and private enterprise in times when the existence of our free society has been seriously threatened. We are now living in such a time. We will continue to for the foreseeable future. I suggest that the hour has come when we should find new, imaginative, and effective ways to implement a vigorous and voluntary working relationship between free enterprise and free government.

Soviet Propaganda Techniques

In the arsenal of Soviet total diplomacy no weapons are more important than those of psychological warfare and propaganda. In addition to its own gigantic propaganda machine at home, the U.S.S.R. exploits the many opportunities to advance its objectives which are presented by the worldwide network of mass communications media, both free and controlled.

For example, every time Mr. Khrushchev makes a speech, the text is normally faithfully and fully reported throughout the free world in its press and by other mass information media. Similarly every Soviet diplomatic note of any importance is printed. Even the cocktail talk of Mr. Khrushchev is reported as news in the free world, thus presenting the Soviet Union with a tailormade trial-balloon device. His statements can readily be denied—and have been—when it suits the Soviet purpose. If the balloon floats, informal conversation may be elevated to the dignity of a pronouncement of state policy.

In sharp contrast, the addresses of Western leaders, and their press conferences, diplomatic correspondence, and formal statements of policy, are almost never published in full in the Soviet press and often are not even summarized. On those rare occasions when they are published, it is invariably after considerable delay. Even more, the texts which are quoted are frequently emasculated, interlarded with editorial comment, and very often accompanied by lengthy rebuttal. President Eisenhower's recent address to the Nation on the Berlin crisis was reported in the Soviet Union in the usual selective terms. For example, his assertion that ". . . the American and Western peoples do not want war" was not reported by any major Soviet media.

These are but a few striking examples of how Soviet diplomacy utilizes and exploits media of public information as a weapon. In spite of their talk about "the ruling circles," the Soviet leaders are well aware that real power in the free world ultimately rests with the general public rather than any governing group. They know full well that every utterance or action of an American diplomat receives closest public scrutiny and criticism. Soviet leaders, therefore, seize every opportunity to appeal to the people of the free world over the heads of their governments. Such appeals, which are often accompanied by dis-

tortion and plain untruth, are a standard technique of Soviet diplomacy.

In combating this worldwide Soviet propaganda campaign, our information program based on truth has become a potent weapon. Its emphasis on fact and moderate tone have given it a growing reputation for reliability that has resulted in a vast and constantly increasing audience among the peoples in the Communist empire. The best testimony to the effectiveness of the United States Information Agency is the fact that the Soviets spend more money on jamming its broadcasts than USIA spends on its entire operation.

I might also add that each issue of the Agency's magazine *America Illustrated* is a sellout the moment it arrives on the Soviet newsstands. Obviously there is a growing number of Soviet citizens who want to know the truth. Indeed, their number may be much greater than we think.

Concluding Comments

In view of the frustrations we have encountered, some Americans seem to oppose any serious attempt to negotiate with the Russians. Given the unreasonable attitude of the Soviet Union, the argument runs, given their rigid approach toward world problems, how can we ever expect to arrive at any serious agreement with them?

Admittedly there is much to be said for this argument. The fact is the Soviets *are* inflexible. They *are* rigid. They *are* unbending. They *are* difficult, uncompromising, stubborn, intractable, and obdurate.

But the facts also show that it is not impossible to find important areas of agreement with the Soviet Union. Three examples will suffice to make my point. In 1955, after 10 long years of frustrating negotiations, they finally agreed to the Austrian state treaty. In 1957, after considerable opposition, they signed the statute of the International Atomic Energy Agency. Finally, in 1958, after extremely difficult negotiations, they agreed to the terms of the Lacy-Zaroubin exchange agreement.⁶

Now these examples demonstrate that perhaps it is not impossible to get blood out of a turnip. They demonstrate that, if we search hard enough and persistently enough, it is not impossible to find certain areas of agreement with the Soviet Union.

⁶ For text, see *ibid.*, Feb. 17, 1958, p. 243.

No one can doubt that the task ahead of us will be a long and tedious one. It will call for many years of determined effort and sustained sacrifice on the part of the free peoples everywhere.

In our negotiations with the Russians we should always remember that they are not an impatient people. They are never in a hurry to get away from an international conference. They believe that history is on their side. And they are content to bide their time, constantly testing and probing for soft spots.

On our part we must do what we can, therefore, to develop an infinite amount of patience. Moreover, if we are to throw back the Communist challenge, we must display at least as much firmness, persistence, and determination as the Russians.

If we will pursue this course, Soviet leaders, encouraged by world opinion, may come to realize that it is in their own national interest to relax tensions and to come to further agreement with free-world nations.

Above all we must never give up our eternal quest for a just peace. We must never give way to despair. We must never allow ourselves to become fatalistic about the prospects of war. Thucydides reminds us that fatalism tends to produce what it dreads, for men do not oppose that which they consider inevitable.

In these circumstances free-world strategy should be clear. If the free nations will hold fast to those policies which deter armed attack; if they will continue to support the purposes and principles of the United Nations Charter; if they can, through constructive economic programs, prevent Communist subversion in the underdeveloped areas; and if they will demonstrate, by word and deed, the enduring values of freedom, then we can be sure the cause of free men will prevail.

World Health Day

Statement by President Eisenhower

White House press release dated April 7

On this day, the 11th anniversary of the adoption of the constitution of the World Health Organization, it is a privilege to join with my fellow citizens and with citizens of other nations in observing World Health Day.

The theme of this year's observance, "Mental

Illness and Mental Health in the World Today," calls attention to the necessity of learning more about the nature of mental illness and applying more fully the knowledge we now have of ways to maintain sound mental health. This is one of the great areas of human need which requires our active concern working in concert with our neighbors in the United Nations.

U.S. Note on Japan and Baltic Sea Plane Incidents Sent to Soviets

Following is an exchange of notes between the United States and the U.S.S.R. concerning Soviet attacks on U.S. aircraft on November 7 and 8, 1958.

U.S. NOTE OF MARCH 25¹

Reference is made to the Ministry's note No. 18/OSA of March 5, 1959, concerning incidents which occurred on November 7 and 8, 1958, which involved attacks by Soviet fighter aircraft on an American aircraft over the Baltic Sea and simulated attacks by Soviet fighter aircraft on an American aircraft over the Sea of Japan.

In its note the Soviet Government suggested that such flights by these American aircraft are a continuous source of strained relations between the United States and the U.S.S.R.

It is recognized as an unsatisfactory state of affairs indeed when in place of easy passage to and fro by land, sea and air, as is normal elsewhere, there is an atmosphere of hostility arising from the isolation of a segment of the earth's surface. But certainly it is this atmosphere and the sensitivities engendered by it, and not the flight of American military aircraft in areas near frontiers of the Soviet Union, which impose certain strains in relations mentioned in the Soviet note.

The United States Government has no desire to add to such tensions. Actually it deplores the fact that the Soviet Government, in its note of March 5, 1959, has considered it expedient to contend that during the incident in the Baltic Sea

¹ Delivered to the Soviet Ministry of Foreign Affairs by the American Embassy at Moscow on Mar. 25 (press release 249 dated Apr. 6).

area on November 7, 1958, there was an attack by an American military plane on a Soviet fighter. The facts in the incidents of November 7 and 8, 1958, were clearly set forth in the United States note No. 462 of November 13, 1958.² Specifically, a United States Air Force aircraft was twice fired upon by Soviet fighter aircraft on November 7 at a position over the Baltic Sea approximately 66 miles from the nearest Soviet territory. These attacks were launched from behind and without warning; the American aircraft did not fire. Later that day and early on the following day, Soviet fighter craft made simulated attacks, without firing, on an American Air Force aircraft over the Sea of Japan at points more than 60 miles from the nearest Soviet territory.

The Soviet Government is attempting to divert attention from these facts by making reference to "violations" of Soviet airspace. The Soviet Government is fully aware that no violations of Soviet airspace were involved in these incidents in any way.

In its note, the Soviet Government has expressed an expectation that the United States deny itself use of international airspace or airspace of other countries in a manner mutually agreeable to the United States and those countries. This is clearly unjustifiable and does not contribute toward easing the strained relations between the United States and the U.S.S.R. referred to in the note.

SOVIET NOTE OF MARCH 5

Unofficial translation
No. 18/OSA

In connection with the note of the Government of the United States of America of January 2, 1959 which is in answer to the note of the Soviet Government of December 15, 1958,³ the Government of the U.S.S.R. fully confirms its note of December 15, 1958, concerning the flights of American military planes with hostile aims close to Soviet frontiers on the 7th and 8th of November, 1958, in which a decisive protest is made to the Government of the United States of America against the wholly unprovoked firing attack by an American military plane on a Soviet fighter close by the territory of the U.S.S.R.

The Soviet Government expects that the Government of

² For text, see BULLETIN of Dec. 8, 1958, p. 909.

³ For texts of U.S. and Soviet notes, see *ibid.*, Jan. 26, 1959, p. 134.

the United States of America will take the necessary measures and will forbid its air forces to send planes to the state boundaries of the U.S.S.R. and to violate these boundaries, thus eliminating one of the continuous sources of strained relations between the Soviet Union and the United States. For this it is necessary for the Government of the United States to do only one thing—to give the necessary order to its air forces and this depends only upon the Government of the United States of America. Until the time when the Government of the United States of America will do this, no statements will be able to free it from that heavy responsibility which it will bear for the consequences of dangerous flights of American planes close by the borders of the Soviet Union and for the violation by them of the airspace of the U.S.S.R.

Development Loans

Jordan, Nigeria, Pakistan, and Uruguay

The United States on April 10 announced the authorization of four loans totaling \$14.1 million by the Development Loan Fund to finance development projects in Jordan, Nigeria, Pakistan, and Uruguay. For details, see Department of State press release 256 dated April 10.

Korea

Signing of a loan agreement at Washington, D.C., by which the Development Loan Fund will lend \$3.5 million to the Government of Korea to help further restoration of war-damaged telecommunications facilities in Korea was announced on April 10 by the Department of State. For details, see press release 255 dated April 10.

Thailand

The United States and the Government of Thailand signed an agreement on April 10 at Washington, D.C., by which the Development Loan Fund will lend Thailand \$1,750,000 to be used by the Port Authority of that country for the purchase of a 2,000 cubic meter hopper dredge to help maintain the channel of the Chao Phraya

River at the port of Bangkok. For details, see Department of State press release 258 dated April 10.

U.S. Makes Loan to Iceland for Hydroelectric Project

Press release 257 dated April 10

The United States on April 10 signed an agreement with the Government of Iceland lending the equivalent of \$1,760,000 in U.S.-owned Icelandic currency to the Iceland Bank of Development to assist Iceland's economic development.

The proceeds will be applied largely to finance continued construction on the Upper Sog hydroelectric project, which was started in early 1957. This project is expected to be completed within a year, at which time it will augment the electricity supply of the southwest part of Iceland, where the capital city of Reykjavik is located. Some of the proceeds will be applied to extend the transmission lines to the Keflavik area.

The loan is being made by the International Cooperation Administration from Icelandic currency which the United States received from the sale of surplus agricultural commodities to Iceland under provisions of P.L. 480, the Agricultural Trade Development and Assistance Act. The loan is part of ICA's program of economic assistance to Iceland under the U.S. mutual security program.

Ambassador Thor Thors, representing the Iceland Government and the Iceland Bank of Development, signed the agreement for his country. Samuel C. Waugh, president of the Export-Import Bank of Washington, signed for the United States. The Export-Import Bank will administer the loan for ICA. The loan will be repayable over a period of 20 years either in dollars or Icelandic currency at an interest rate of 3½ percent.

Senate Approval Sought for Treaty With Sultanate of Muscat and Oman

*Statement by W. T. M. Beale
Deputy Assistant Secretary for Economic Affairs*¹

I am appearing before the committee in support of the treaty of amity, economic relations, and consular rights with the Sultanate of Muscat and Oman.² This treaty is similar to others with countries in the Middle East which the United States has entered into during the past several years: specifically, the treaties with Ethiopia,³ approved by the Senate on July 21, 1953, and with Iran,⁴ approved by the Senate on July 11, 1956.

Like these latter the treaty with Muscat and Oman is an abridged version of the traditional treaty of friendship, commerce, and navigation. As such, it is in a form believed to be better suited to conditions of economic intercourse between the United States and the Sultanate than a commercial treaty of the lengthier and more detailed kind.

In both form and substance, however, it adheres to the general pattern of the standard treaty of friendship, commerce, and navigation. Its broad objectives are the same: to further the investments, trade, and shipping of the United States and to provide for the protection abroad of American citizens, their property and other interests, on a reciprocal basis. The provisions through which the treaty seeks to attain these objectives with respect to the Sultanate are based upon existing precedents and contain no innovations raising problems of domestic law.

The most important substantive features of the treaty are pointed out in the report of the Acting Secretary of State [Christian A. Herter] which accompanies the treaty. To supplement and am-

plify that material, the Department has prepared a paragraph-by-paragraph tabular comparison, which indicates the very considerable degree of correspondence between the provisions of this treaty and of the treaty with Iran. I now offer this table to the committee.⁵

While it seems unnecessary to repeat here the data contained in these two papers, I might observe that the treaty with the Sultanate reflects a somewhat greater degree of abridgment of the standard type of treaty than its Iranian counterpart. This reflects nothing more, however, than a differing assessment of the present and probable future situation of American interests in the two countries.

United States business and other interests in Muscat and Oman are not extensive. The principal economic activity in which Americans are engaged is the development of petroleum resources. The treaty contains provisions which it is believed will cover adequately and effectively the basic needs of concerns carrying on extractive and other industrial activities, as well as merchants and traders generally, and will enable them to conduct their operations with assurance of fair treatment, in accordance with agreed rules. Special reference might be made in this regard to article IV, paragraph 2, which contains the fundamental rule that property may not be taken without the payment of just compensation, and article V, paragraph 2, which provides that business enterprises may not be discriminated against in the conduct of their operations within the country. The latter is in fact if not in specific terms a guarantee of national and of most-favored-nation treatment.

In addition the new treaty will furnish an agreed basis for the eventual reopening of an American consulate in Muscat and for its staffing and maintenance on terms customary in United States and in international practice generally.

The Department of State is gratified that the committee has been able to schedule consideration

¹ Made before the Senate Foreign Relations Committee on Apr. 7 (press release 251).

² For text of the treaty, together with the President's letter of transmittal and a report by Acting Secretary Herter, see S. Ex. A, 86th Cong., 1st sess.

³ 4 UST 2134.

⁴ 8 UST 899.

⁵ Not printed here.

of this treaty during the present session. The Sultan of Muscat and Oman, as an absolute ruler, will be in a position to exchange ratifications as soon as our constitutional procedures are completed. When it comes into effect this treaty will replace one of the oldest treaties of the kind in force with a foreign country, that concluded with the Sultanate in 1833.

The new treaty, which is the 17th of its general type to be signed by the United States during the postwar period, establishes a conventional basis for general relations between the United States and the Sultanate on terms that take due account of American interests in that country and of its current stage of economic development. As such it promises a fruitful further development of those relations and, as in the case of every such treaty, a significant contribution to strengthening the rule of law in dealings between nations.

Department Opposes Quotas on Fluorspar

*Statement by Thomas C. Mann
Assistant Secretary for Economic Affairs*¹

The Department of State is strongly opposed to the enactment of S. 1285, a bill "To provide for the preservation and development of the domestic fluorspar industry." This bill would institute quotas for domestic production and imports. The basic formula would provide an annual quota for the domestic industry of 200,000 tons for fluorspar containing more than 97 percent calcium fluoride and 125,000 tons for lower grade fluorspar; the import quotas would be equivalent to the difference between the domestic quotas and estimates of annual domestic consumption. The effect of the bill would be to restrict imports in the interest of national security.

The Congress established a standard procedure, under section 8 of the Trade Agreements Extension Act of 1958, for the investigation of the effects on the national security of imports and for the imposition of import restrictions if it is determined that they are necessary to prevent a threat of impairment to the national security.

¹ Made before the Minerals, Metals, and Fuels Subcommittee of the Senate Committee on Interior and Insular Affairs on Apr. 10 (press release 254).

At the present time the Office of Civil and Defense Mobilization is conducting such an investigation regarding imports of fluorspar under this procedure. We consider that this is the best method presently available for a thorough, objective evaluation of the complicated issues involved in this type of problem.

While we fully appreciate the concern of those who feel that imports of fluorspar may seriously impair the domestic industry, there is also a procedure established by law which provides safeguards to domestic industries against injury from increased imports resulting in whole or in part from trade agreement concessions. Under the escape-clause provisions of the trade agreements legislation, the domestic industry producing fluorspar containing more than 97 percent calcium fluoride may apply to the Tariff Commission to institute an investigation. If the Commission determines, on the basis of such an investigation, that increased imports are causing or threatening serious injury to a domestic industry, it recommends to the President increased duties or other import restrictions. He has the authority to decide what action should be taken in the national interest.

The restriction of imports that would result from the enactment of the proposed bill, in the absence of clear evidence that it is necessary in the interest of national security or to prevent serious injury to the domestic industry, would be directly contrary to the administration's policy of expanding the international trade of the United States so as to increase our economic strength and that of our allies. The extent of the potential trade restriction is illustrated by the fact that if the legislation had been in effect during 1956/57 our average annual imports of fluorspar for commercial uses would have been approximately 308,000 tons as against the actual figure of 441,000 tons. This would have adversely affected exports from Mexico, Italy, West Germany, and other countries and substantially reduced their ability to buy from the United States.

There are a number of other points about the proposed legislation which concern us. We are informed by the Department of the Interior that it would be necessary to allocate the domestic production quotas to the various producers so as to provide equitable treatment of the companies concerned. Thus the production of individual companies would be controlled by Government

fiat rather than the free play of market influence. This artificial restriction of competition between domestic companies, as well as the curtailment of imports resulting from the legislation, would tend to increase prices. Consequently the competitive position of American industries which use fluorspar products as important raw materials would be impaired. The price increases would also have a general inflationary influence. In summary, the basic features of the bill appear to be directly contrary to the principles of our free enterprise system, upon the strength and vitality of which we are relying to meet the Soviet economic challenge.

It might be mentioned also that the provisions of the bill relating to the barter of surplus agricultural products under Public Law 480 in exchange for fluorspar from abroad would serve no useful purpose. Statutory authority already exists for the acquisition of fluorspar under the barter program, and significant quantities of fluorspar have actually been so acquired. Furthermore, although such acquisitions could be increased under existing legislation, it is the judgment of the Department of State that an enlargement of the barter program would have the effect of displacing ordinary commercial exports of farm products by the United States and by certain foreign countries whose economic strength is important to the United States. Finally any acquisition of additional supplies of fluorspar by the Government under the barter program would tend to aggravate the future problem of disposing of the Government's surplus holdings without causing injury to domestic and foreign producers.

Congressional Documents Relating to Foreign Policy

86th Congress, 1st Session

United States Foreign Policy. Hearings before the Senate Foreign Relations Committee. Statements of Secretary of State John Foster Dulles and Under Secretary of State for Economic Affairs Douglas Dillon. January 14-21, 1959. 59 pp.

Foreign Service Appointments. Hearings before the Senate Foreign Relations Committee. January 27, 1959. 43 pp.

Disarmament and Foreign Policy. Hearings before a subcommittee of the Senate Foreign Relations Committee pursuant to S. Res. 31. Part 1. January 28-February 2, 1959. 198 pp.

National Science Foundation-National Academy of Sciences. Hearings before the subcommittee of the House Committee on Appropriations. Report on the International Geophysical Year. February 1959. 198 pp.

The American Overseas. Hearing before the Senate Committee on Foreign Relations. Statements of several educators. February 18, 1959. 48 pp.

Treaty of Amity, Economic Relations, and Consular Rights With the Sultan of Muscat and Oman and Dependencies. S. Ex. A. February 26, 1959. 11 pp.

Bretton Woods Agreements Act. Hearings before Subcommittee No. 1 of the House Committee on Banking and Currency. March 3-6, 1959. 92 pp.

Convention With Cuba for the Conservation of Shrimp. S. Ex. B. March 5, 1959. 7 pp.

Amend Bretton Woods Agreements Act. Hearings before the Senate Foreign Relations Committee on S. 1094. March 9-17, 1959. 129 pp.

Mutual Security Program. Message from the President of the United States relative to the mutual security program. H. Doc. 97. March 13, 1959. 13 pp.

Authorizing Free Communication Services to Official Participants in the Ninth Plenary Assembly of the International Radio Consultative Committee. Report to accompany H.J. Res. 257. March 13, 1959. 4 pp.

An Investigation of Refugees and Escapees. Report of the Committee on the Judiciary, United States Senate, made by its Subcommittee To Investigate Problems Connected With Refugees and Escapees pursuant to S. Res. 239, 85th Congress, 2d session, as extended. S. Rept. 101. March 16, 1959. 4 pp.

Trade Fair Act of 1959. Report to accompany H.R. 5508. H. Rept. 213. March 16, 1959. 3 pp.

Authorizing United States Participation in Parliamentary Conferences With Canada. Report to accompany H.J. Res. 254. H. Rept. 215. March 17, 1959. 3 pp.

Amendments to the Bretton Woods Agreements Act of 1945, as Amended. Report of the Committee on Foreign Relations on S. 1094 to amend the Bretton Woods Agreements Act. S. Rept. 109. March 18, 1959. 15 pp.

Authorizing Construction for the Military Departments and Reserve Components. Report to accompany H.R. 5674. H. Rept. 223. March 18, 1959. 74 pp.

Bretton Woods Agreements Act. Report of the Committee on Banking and Currency, House of Representatives, 85th Congress, 1st session, on H.R. 4452. H. Rept. 225. March 18, 1959. 17 pp.

Authorizing Appropriations to the National Aeronautics and Space Administration. Report to accompany S. 1096. H. Rept. 226. March 18, 1959. 9 pp.

Results From Recommendations Made During 85th Congress in Reports of Committee on Government Operations, House of Representatives. H. Rept. 228. March 18, 1959. 174 pp.

Administrative Authorities for National Security Agency. Report to accompany H.R. 4599. H. Rept. 231. March 19, 1959. 10 pp.

Amendments to the Budget for Fiscal Year 1960 for the Legislative Branch and the U.S. Information Agency. Communication from the President. H. Doc. 100. March 19, 1959. 2 pp.

Protocol of Amendment to the Convention on the Inter-American Institute of Agricultural Sciences. S. Ex. C. March 19, 1959. 9 pp.

Study of United States Foreign Policy. First interim report of the Senate Committee on Foreign Relations pursuant to S. Res. 31. S. Rept. 118. March 19, 1959. 26 pp.

Invitation To Hold the 1964 Olympic Games in the United States. Report to accompany S.J. Res. 73. March 19, 1959. S. Rept. 119. 3 pp.

Extending an Invitation to the International Olympic Committee To Hold 1964 Olympic Games in the United States. Report to accompany H.J. Res. 300. H. Rept. 236. March 20, 1959. 3 pp.

Fifth Meeting of the Council of the Southeast Asia Treaty Organization

Following is an address made by Douglas Dillon, Under Secretary of State for Economic Affairs, at the opening session of the fifth annual meeting of the Council of Ministers of the Southeast Asia Treaty Organization, which met at Wellington, New Zealand, from April 8 to 10, together with the text of a communique issued at the close of the meeting.

ADDRESS BY UNDER SECRETARY DILLON, APRIL 8

Mr. Chairman [Walter Nash, Prime Minister of New Zealand], I should like to express the appreciation of the U.S. delegation for the kind words of welcome from His Excellency, the Governor General [The Viscount Cobham, Governor General of New Zealand], and from you yourself, sir. And may I add my congratulations upon your election as chairman of this fifth Council meeting. We are indeed fortunate that a statesman of your wisdom and experience is to preside over our deliberations here in the capital of this beautiful and hospitable land.

The honor I feel at representing the United States at this fifth Council meeting is tempered only by regret that circumstances have compelled Secretary Dulles to break his perfect record of attendance at SEATO Council meetings. Mr. Dulles has requested me to express his deep disappointment over his inability to be here and to convey his personal greetings to the delegates, with many of whom he has been privileged to associate at past Council sessions.

Before I left for Wellington President Eisenhower also asked me to extend his best wishes for the success of this meeting. The traditional friendly interest of the United States in the lands washed by the Pacific is well known to all of you. This year, happily, it becomes even more intimate for now Hawaii is about to join our Union as the

50th State, following on the heels of Alaska's admission last year. This evidences the continuing interest of my countrymen in the great Pacific Basin and in the region we here refer to as the SEATO area.

The United States takes deep satisfaction in the achievements of SEATO. SEATO has fully lived up to its vital role as an integral part of the free world's collective defense system. Only in the upside-down language of international communism is SEATO anything but a purely defensive alliance established in accordance with the United Nations Charter.

We are gathered here because our countries have chosen not to surrender to a materialistic and bold imperialism which seeks to regiment the bodies and minds of all mankind.

Benefits Deriving From SEATO

The members of SEATO are, I believe, benefiting in many ways from the free association of this organization. Foremost is the priceless security that derives from our union. We are better prepared to counter Communist subversion and aggression because of our association in military planning and combined military exercises.

The increasingly effective political consultation by the Council representatives is proving to be a source of growing strength and unity. Our mutual efforts in the cultural, economic, and informational fields are promoting greater understanding among our peoples. This increasing understanding and our common dedication to the growth of freedom and social progress insure the triumph of the cause of liberty throughout the treaty area.

The true measure of SEATO's worth is the simple fact that since we joined to create its protective shield there has been no Communist aggression against the treaty area. The nations of Southeast Asia have thus been freed to devote

their primary efforts to the development of their national well-being.

When we recall the difficult and unpromising situation in Southeast Asia at the time of SEATO's birth, the significance of this accomplishment becomes apparent.

In Iran their tactics have taken the form of harsh Soviet threats against the Government. Their assault on the freedom of the 2 million inhabitants of West Berlin has been a combination of military threats and diplomatic moves.

As we meet today we are supremely aware that, on the high mountains and plateaus of Tibet, brave men are fighting for their freedom against a form of tyranny more totally repressive than any in history. The conscience of no free nation on earth can tolerate this latest Communist outrage.¹

With the escape of the Dalai Lama the lie has been given to the Peiping claim that he was kidnaped by the Khamba tribesmen or that the Tibetans in any way consented to Chinese Communist actions. We rejoice that he is safe and can remain not only as a living symbol of those values cherished by the brave Tibetan people and many others but also as a reminder of the true meaning of Communist coexistence. As in the case of the Hungarian uprising the facts cannot be hidden from the world, and the world will not forget.

Last summer, as you know, the United States responded to the Communist challenge in the Taiwan Strait with firmness. During this crisis the Chinese Communists made it starkly clear they would accept no settlement that did not entail the destruction of the Republic of China, the seizure of Taiwan, and United States withdrawal from the entire area.

The Soviets publicly associated themselves with this position in Khrushchev's letter to President Eisenhower,² in Mikoyan's³ much-publicized television interview, and elsewhere. The United States will, of course, not capitulate to such demands.

Our friends may rest assured that we remain as firmly convinced as ever that our security is intimately bound up with the maintenance of their

rights and freedom whether they be in Europe, in Asia, or elsewhere, and that our policies and actions will always conform to this basic principle.

But we all recognize that firmness in the face of Communist aggression is not enough. We ourselves must move forward in the economic and social fields. One of the imperatives of our times is the call for cooperative effort among free-world countries to improve living conditions in the less developed areas of the world.

U.S. Efforts To Aid Less Developed Areas

The United States has over a period of years devoted very substantial efforts and resources to this end. We have, for example, been able to contribute some \$4,000 million in various kinds of economic aid to Colombo Plan countries since the Plan's inception. I am confident that the United States and other free-world countries would devote even greater resources to this pressing task were it not necessary for us to devote so large a share of our resources to building needed defenses against Communist aggression.

This past year has witnessed numerous initiatives by the United States in the economic field. Last August President Eisenhower recommended substantial increases in the resources of the World Bank and the International Monetary Fund in order to permit these institutions to carry on and expand their outstanding work in the fields of development and monetary stability. The governors of the two institutions have recommended a specific program for such increases. Legislation providing for the U.S. share in these increases—over \$4,500 million—has already been passed by both Houses of the U.S. Congress and is expected to become law in the near future.⁴

Another U.S. initiative that is bearing fruit this year is the Special Fund of the United Nations designed to undertake major surveys of development problems in the less developed areas. The U.N. has called a leading American exponent of development, Mr. Paul Hoffman, to direct the work of this new agency.⁵

The United States has long recognized the problems created for less developed countries by

¹For a statement by Acting Secretary Herter on the situation in Tibet, see BULLETIN of Apr. 13, 1959, p. 514.

²For the exchange of correspondence, see *ibid.*, Sept. 29, 1958, p. 498.

³Anastas Mikoyan, Soviet First Deputy Premier, was in the United States on an unofficial visit Jan. 4-20.

⁴For background, see BULLETIN of Mar. 30, 1959, p. 445.

⁵For a statement by Ambassador Lodge presenting to Mr. Hoffman the United States' initial contribution to the Fund, see *ibid.*, Feb. 23, 1959, p. 284.

fluctuations in the price of primary commodities. In keeping with this concern the United States last year joined the U.N. Commission on International Commodity Trade. We are hopeful that this Commission will serve a useful purpose in promoting greater understanding of the problems facing various primary producers and so show the way toward solutions. Finally, last year, as a mark of our continuing interest in technical cooperation throughout free Asia, the United States decided to become a full member of the Technical Cooperation Council of the Colombo Plan.

These actions, together with our continuing bilateral programs, are indicative of our unflagging determination to work for the social and economic progress of the less developed areas.

Mr. Chairman, fellow delegates, the U.S. delegation welcomes the opportunity during the next 3 days to participate with you in deliberations which, I am certain, will aid us all in charting our course in the troubled but increasingly interdependent world in which we live.

FINAL COMMUNIQUE, APRIL 10

Press release 259 dated April 10

The fifth meeting of the SEATO Council was held in Wellington from April 8 to 10, 1959, under the chairmanship of the New Zealand Prime Minister and Minister of External Affairs, the Right Honorable Walter Nash.

The Council is conscious that the security of any one region is linked with that of other areas of the world, and that therefore it cannot effectively discharge its responsibilities without taking account of major developments elsewhere. It accordingly attaches special importance to its annual exchange of views on the general international situation. This year's discussion was considered by Council members to have been extremely valuable. Its freedom and frankness reflect the atmosphere of full confidence and mutual understanding which exists among its members. The Council discussed reports and recommendations by the Council representatives, the Military Advisers and the Secretary General, and in the light of them gave directions with regard to the activities of the organization in the coming year. The Council commended the effective work of the Secretary General, Nai Pote Sarasin, and his staff. The members of SEATO reaffirm their undertaking in article I of the Manila Treaty to seek the settlement of international disputes by peaceful means and to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations.

The members of SEATO reemphasized their common determination to resist aggression. They are convinced that SEATO is providing an effective deterrent to aggression and is demonstrating the value of a collective

security organization established in accordance with the Charter of the United Nations. They noted that since the establishment of SEATO four years ago no aggression against the treaty area has been attempted. Confidence and stability have noticeably increased. This is in marked contrast to the threatening situation which existed when SEATO was formed in September 1954 and is ample evidence of the steadying influence of the alliance.

However, during the past year developments in the Taiwan Strait and elsewhere have demonstrated that the Communists are still prepared to pursue their objectives by violence up to the point where they encounter firm resistance. Despite the continuing possibility of open aggression the principal threat to the security and independence of the treaty area is now being presented in more indirect forms. These call for imaginative and varied counter measures.

Mobility and flexibility have long been characteristic of the SEATO alliance. Similar qualities are being developed in response to the diverse nature of the Communist challenge. The Council members are aware of the opportunities afforded for subversive activities in situations where basic problems of hunger, lack of opportunity and underdevelopment remain unsolved. In these circumstances not only ceaseless vigilance, but also positive measures, are the price of freedom.

So far SEATO has done much to publicize and expose throughout the treaty area the objectives towards which subversion is directed and the methods by which it operates. The SEATO Council remains conscious of continuing disorder and has agreed that during the coming year arrangements should be made for the further strengthening of this aspect of SEATO's work. For example, it is proposed that a meeting of experts on counter-subversion should be held in Pakistan.

The Council members recognize the need for continuing action in the economic and social sphere. Under article III SEATO members are pledged to cooperate in the economic field. During the last four years considerable progress has been made in the development of economic measures in consonance with treaty objectives.

It was recognized that the raising of living standards and the provision of opportunity for advancement are important to the security of the area. It was agreed that poverty and underdevelopment are problems affecting several countries in the area and must be dealt with on the broadest possible basis. Account was taken of the substantial volume of aid already afforded under the Colombo Plan, United Nations and bilateral programs.

Special attention is paid by SEATO to questions arising out of treaty commitments. These include shortages of skilled labor, strains resulting from defense preparedness and the needs of underdeveloped areas.

Several multilateral SEATO economic activities directed toward solving the above problems are now gaining momentum. A number of skilled labor projects have been started and the SEATO graduate school of engineering in Bangkok is scheduled to open in September of this year. With reference to the latter program additional substantial offers of assistance were accepted with pleasure by the Council.

On the initiative of Thailand the Council representatives were instructed to study the feasibility of setting up in the Asian member countries rural development centers equipped to give vocational guidance and to advise the population on ways and means to improve their livelihood, health, and education and information facilities.

The Council welcomed and approved a United States proposal to initiate a special SEATO project in cholera research and invited member governments to participate in this project. The Council believes that it would be useful to undertake a concentrated program aiming at assisting in the better control and if possible the eradication of the scourge of cholera.

SEATO is concerned with study of the effects of Communist economic activities in the treaty area. While the expansion of legitimate trade by all countries of the world is to be encouraged, it is in the interests of international order that where Communist economic activity is clearly dictated by political motives, this should be identified and exposed.

The Council approved the outlines of a long-term program of multilateral cultural projects which will supplement the substantial bilateral contacts which already exist. Special importance was placed upon the continuance of the award of scholarships, professorships, fellowships and travelling lectureships in member countries and upon the holding of a conference of leaders of universities.

The Council believes that the present programs have been conspicuously successful and indicate that diversity of culture and tradition can in fact enrich mutual understanding and trust.

The Council noted with special pleasure the progress towards self-government and independence being made in territories administered by member countries. This constitutes a practical example of the manner in which the principles of the Pacific Charter are being fulfilled by member countries. It illustrates that SEATO's concern for stability and security is no barrier to action by its members to promote political progress and social change.

The Council noted the stark contrast between these developments and the situation in Tibet and other areas subject to Communist domination. As members of the free world community the members of SEATO share the general concern at developments in Tibet and the widely expressed abhorrence of the violent and oppressive measures employed against the Tibetan people.

The Council noted the report of the Secretary General on his visits to NATO and Baghdad Pact headquarters. They agreed that there was value in the maintenance of contacts of this nature with other collective security organizations faced with similar tasks and problems.

In noting and approving reports of the military advisers and their recommendations for future activities, the Council reaffirmed the necessity for continued planning of defensive measures against possible aggression directed at the treaty area.

During the year Brigadier L. W. Thornton of New Zealand assumed the post of chief of the SEATO Military Planning Office. The Council commended the work done under his leadership, which has proved the value of this central and permanent planning machinery.

Further military exercises were held during the past year. All were of a defensive and training character and forces or observers of all member nations participated. Exercises of this nature have special value in improving coordination and the level of training. In the event of the need to resist aggression, SEATO's effectiveness must depend on the ability of its forces to operate together in combination. It was accordingly agreed to continue the program of military exercises during the coming year.

The Council approved budget estimates for the year 1959/60 of \$896,860, covering the costs of the civil and military headquarters and the various programs undertaken by the Organization.

The Council accepted with pleasure an invitation extended by the United States Government to hold its next meeting in Washington in 1960.

Members of the Council joined in expressing their regret that illness had prevented the United States Secretary of State, Mr. John Foster Dulles, from attending this fifth meeting. Tributes were paid to the special and longstanding association of Mr. Dulles with the establishment and work of SEATO, and a message of sympathy was sent to him by the chairman on the Council's behalf. A similar message was sent to Mr. Felixberto Serrano, the Secretary of Foreign Affairs of the Philippines, who had also been prevented by illness from attending the meeting.

The Council expressed its gratitude to the New Zealand Government and the people of Wellington for their hospitality and welcome, and its appreciation of the efficient arrangements made for the conference. The meeting closed with a warm vote of thanks to the chairman, the Right Honorable Walter Nash.

Report on SEATO, 1958-59¹

by Pote Sarasin
Secretary General

FOREWORD

The South-East Asia Collective Defence Treaty, also known as the Manila Pact, was signed at Manila on September 8, 1954 by the representatives of Australia, France, New Zealand, Pakistan, the Philippines, Thailand, the United Kingdom and the United States. The Treaty came into force on February 19, 1955, following the deposit of ratifications by the eight member countries. Four days later, the Council met in Bangkok to create the framework of the South-

¹ Issued in connection with the fifth annual meeting of the Council of Ministers at Wellington, New Zealand, Apr. 8-10, 1959, for simultaneous release at Washington, London, and Paris (Mar. 31) and at Bangkok, Canberra, Karachi, Manila, and Wellington (Apr. 1).

East Asia Treaty Organization. They have since met at Karachi in March, 1956, at Canberra in March, 1957, and at Manila in March, 1958, to review the work of the Organization and to set the pattern of its future development and activities.

This report gives an account of the work and development of SEATO in its fourth year.² It also describes the efforts of the member countries, collectively and individually, to achieve the objectives of the Treaty, and to make SEATO an increasingly effective instrument of security and peaceful progress in the Treaty Area.

INTRODUCTION

The South-East Asia Collective Defence Treaty continues to be an effective instrument to preserve peace in the Area covered by the Treaty.³ The peoples and Governments of SEATO believe that collective defence is necessary to give and provide security to the free countries.

The member nations maintained their assistance to one another throughout 1958 and with the protection afforded by the Treaty, were able to develop their individual plans for economic and social progress.

At the same time, aware that international Communism may again attempt the seizure of power by military means, they kept their armed forces at a high pitch of effectiveness, and continued to collaborate in planning for defence.

They also developed their co-operation with one another in countering Communist subversion, which remained a major threat to the national security and free institutions of countries in the Area.

Political consultations which demonstrated the sense of common purpose of the alliance were held more frequently in 1958 than in any previous year.

At SEATO Headquarters in Bangkok, where such consultations take place, the Secretariat-General expanded its services to the Governments

² For text of the third annual report, see BULLETIN of Mar. 31, 1958, p. 509.

³ The Treaty Area is the general area of South-East Asia including also the entire territories of the Asian parties (Pakistan, the Philippines and Thailand), and the general area of the South-West Pacific, not including the Pacific area north of 21 degrees 30 minutes north latitude. [Footnote in original.]

and peoples of the member countries. New cultural projects were launched, the information programme was diversified and improved, and the Organization's research activities were found increasingly useful, particularly by the Asian member Governments.

On the economic front, SEATO projects to improve the training of skilled workers were inaugurated in each of the Asian member countries. The first steps were taken towards the establishment of the SEATO Graduate School of Engineering in Bangkok. Several member Governments are contributing to this project.

A notable development was the establishment of contact with the Baghdad Pact Organization and the North Atlantic Treaty Organization. An exchange of information will be of great benefit to all three Organizations in working towards their common objectives.

Throughout the Treaty Area, there was greater public awareness of the dangers of Communism, and consequently a greater capacity to recognize and counter Communist tactics. The role of SEATO in South-East Asian affairs as an instrument of protection and stability was more clearly understood.

The member Governments found no reason to believe that the Communist threat to the Treaty Area had lessened, or that international Communism had ceased to regard South-East Asia as a particularly favourable area for expansion in its efforts to dominate the world.

They therefore maintained their vigilance, individually and collectively through SEATO, which, in its fourth year, showed in increased effectiveness the results of constant and harmonious co-operation based on mutual trust and goodwill.

THE COMMUNIST THREAT

Two principal conclusions may be drawn from the surveys of international Communist developments carried out by the Organization during the past year.

The first is that, despite the pretence of "peaceful co-existence", the Communist leaders are still striving to keep the world in a state of tension. In succession, they fomented crises in the Middle East, in the Taiwan Straits, and over Berlin.

Secondly, their policy employs a mixture of threats and blandishments: warnings of nuclear destruction alternated with promises of increased trade, development loans and cultural exchanges. While the Communists attempt to overcome by the threat of force any resistance to their objectives, at the same time, by the use of "peaceful" propaganda and the exploitation of front organizations, they are making a determined effort to gain popular support.

The adoption of a political strategy emphasizing "respectability" (with force held in reserve) is in line with the policy laid down by the Moscow Declaration of Communist Parties in 1957, which was reaffirmed in 1958. This declaration urged local Communist Parties to seek broader public approval by collaborating with nationalist and socialist movements and to represent themselves as democratic political bodies.

In the process of identification with nationalist aspirations, the Communists attempt to influence or penetrate key groups (in the administration, political parties, the armed forces, student groups and the professions) as well as to capture and control "mass" organizations of trade unions and youth and women's movements.

Communist insurgents, who are still active in certain countries of Asia, have tried to negotiate a settlement on their own terms with the lawful governments. The Communists have also made considerable use of "front" organizations, particularly where the Party is illegal, and are endeavouring to extend their influence among the Overseas Chinese in South-East Asia.

In seeking to gain control over the countries of the Free World, international Communism gives high priority to the expansion of Communist influence in Asia and Africa, where standards of living are still comparatively low and economic development is slow.

An important objective of the Communists in South-East Asia is to over-awe the free countries with the power and the stern discipline of Communist China and the Soviet Union.

The undoubted achievements of the Soviet Union in outer space research have created a favourable impression of scientific progress. While the Free World cannot underestimate the propaganda impact of such achievements it is, nevertheless, mindful that the price of progress achieved under Communism is ruthless discipline and regimentation.

The total power of Communism over the individual was strikingly illustrated in Communist China by the organization of "people's communes". Chinese peasants, originally promised "the land to the tillers", have long been collectivized and have now lost their small private plots of land. The mobilization of women for labour and the removal of children to communal nurseries and schools as well as the loss of personal freedom have effectively destroyed family life.

The bitter campaign against "revisionism," typified by the Soviet Union's withdrawal of aid from Yugoslavia, demonstrates the refusal by Moscow and Peking to accept any form of independence from the Party line.

Other events which led to a revulsion against Communism in many countries were the execution of Imre Nagy, formerly Prime Minister of Hungary and other leaders of the Hungarian revolution, as well as the refusal to allow United Nations' representatives to visit Hungary; and the persecution of the Soviet writer Boris Pasternak, author of the novel "Dr. Zhivago", for accepting a Nobel Prize awarded for his contributions to literature.

Strong measures to check Communist activities were taken by the Government of a number of countries in the Treaty Area. One aspect of the Communist threat—the economic offensive, particularly from Communist China—however, caused increasing concern.

There was a notable shift in the offensive from trade and aid agreements—previously strongly promoted—to actual trade penetration. Although, in the case of Communist China, increased exports of manufactured goods and raw materials are partly due to the need for foreign exchange, they also constitute a conscious effort to disrupt trade.

By the carefully-timed unloading of quantities of low-priced goods, Communist China has upset the local markets in the Treaty Area (though counter-measures have been taken in some countries) and has affected the normal flow of trade with the free countries of the world. A part of the proceeds from the sale of these goods is used for purposes of propaganda and subversion.

While the Communists place considerable emphasis on "peaceful" economic and political penetration, and have intensified their cold war tactics

during the past year, they are still prepared to resort to violence to achieve their objectives.

The basic threat of armed force and subversion led to the establishment of SEATO in 1954. The continuing threat to the peace and independence of the countries of South-East Asia is the justification for collective security today.

THE WORK OF THE ORGANIZATION

Under the direction of the Council, the Organization pursues its objectives in two main directions, military and civil.

Military Activities

The military activities of the Organization are directed by the Military Advisers, a group consisting of one senior military representative of each member country. The Military Advisers held their two normal meetings in 1958—one immediately before the meeting of the SEATO Council at Manila in March, and the other at Bangkok in September.

Under their direction, the SEATO Military Planning Office in Bangkok continued its work of developing detailed defensive plans. Brigadier L. W. Thornton, C.B.E., of New Zealand, succeeded Brigadier-General Alfredo M. Santos, of the Philippines, as Chief, SEATO Military Planning Office in July, 1958.

Since the last meeting of the SEATO Council, four SEATO combined military exercises have been held, and a fifth will be staged shortly.

The first, Exercise Vayubut, which took place in Thailand from April 22 to 26, demonstrated air support of ground forces. In the exercise, units of New Zealand, Thailand, the United Kingdom and the United States took part.

The second SEATO exercise was the maritime training operation Oceanlink, which began on April 28. Twenty-four ships from five of the SEATO nations sailed from Singapore, and after two weeks in the international waters of the South China Sea, entered Manila Bay on May 13. Simulated submarine and air attacks were a feature of the exercise, in which the aircraft carriers HMAS Melbourne, HMS Bulwark and USS Philippine Sea took part.

Exercise Kitisena, sponsored jointly by Thailand and the United States took place in northern

Thailand in January this year. This was a command post exercise designed primarily to train commanders and staffs in the employment of military forces in defensive operations.

Air contingents from six of the SEATO nations, and paratroops from Thailand, France and the United States took part in Exercise Air Progress which was held in Thailand in March.

The fourth large SEATO naval exercise will begin soon. Six of the member nations will participate.

Other bilateral and multilateral exercises were carried out by several of the member countries in 1958, and a further series of SEATO training exercises will be held this year to continue the work of co-ordinating the armed forces of the member nations.

Civil Activities

The Council Representatives, who direct the non-military work of the Organization when the Council is not in session, held 17 meetings in 1958. A most valuable feature of these meetings is the exchange of views on the political situation in the Treaty Area, which enables the Organization and the individual member Governments to evaluate, expose and counter Communist activities.

The Organization has three civil expert committees. The Committee of Security Experts held two meetings, and the Committee of Economic Experts and the Committee on Information, Cultural, Education and Labour Activities one meeting each in 1958.

These committees consider various aspects of the work of the Organization and make recommendations to the Council Representatives. They have continued to be valuable forums for the exchange of views among the Member Governments, and to fulfil their tasks of recommending policies for the Organization's research, economic, cultural, and information programmes.

The work of implementing these programmes falls to the Secretariat-General, which supports and co-ordinates the civil work of the Organization at SEATO Headquarters in Bangkok. The Secretariat-General is composed of an international staff in which all the member countries are represented, and a locally-recruited staff. The international staff reached its full authorized level during the year.

The responsibility for action in countering Communist subversion rests primarily with the Member Governments, who believe that the best defence against the subversive threat and the insidious effects of Communist propaganda is a well-informed public.

It is, however, the duty of the Organization to assist the member Governments, and it has done so in a number of ways. One of the principal SEATO agencies in identifying the subversive threat is the Committee of Security Experts. Studies by the other expert committees have also given member Governments valuable guidance in countering subversion in their territories.

The Research Services Office of the Secretariat-General has continued to supply member Governments with regular reports on current developments in Communist activities throughout the world, with particular reference to the Treaty Area. Special studies on particularly important developments have been prepared, and the office has also completed a number of studies at the request of the expert committees.

The Public Information Office has helped to counter Communist subversion by the issuing of statements on special topics and the publication of pamphlets—some of them in Urdu, Bengali, and Thai as well as in English—exposing various aspects of the Communist threat. In all, 15 exposure pamphlets were produced during the year.

Economic Activities

The Committee of Economic Experts at its 1958 meeting intensified its study of the Communist economic offensive, and the Organization is accordingly collecting and analyzing information for member Governments to assist them in taking counter-measures. The Committee also took into consideration the economic problems of certain areas of the Asian member countries, with a view to finding suitable remedies, and covered the whole field of co-operative economic effort within the SEATO partnership.

Economic assistance to SEATO countries is given largely on a bilateral basis. However, certain projects have justified collective study and action.

It is one of the most pleasing results of the initiative taken by SEATO that a start has been

made on four important economic projects in the year under review.

These are :

•The SEATO Graduate School of Engineering in Bangkok. This school, due to open in September, 1959, is expected to make an important contribution to the improvement of technological education in the area. It will admit graduate students from both member and non-member countries of South-East Asia. The school is a project of the Government of Thailand. Assistance is being given by the United States under a three-year contract with the Colorado State University. France and New Zealand have agreed to provide assistance, while Australia has under consideration proposals to provide staff, scholarships or equipment. The Philippines has made a financial contribution, and the United Kingdom is actively considering suitable assistance to the school.

•Three projects designed to improve the supply of skilled labour in Pakistan, the Philippines and Thailand. These projects arise directly from the studies and recommendations of the SEATO Study Group on Shortage of Skilled Labour. In each country, agreements have been concluded by the member Governments with the United States.

The agreement with Pakistan provides for the improvement of training in 12 or more trades, principally through assistance to existing training centres in Karachi and Dacca.

In the Philippines, assistance will be given to apprenticeship training, vocational training in the textile industry, and labour market information and statistical services.

In Thailand, where a team from the University of Hawaii is already at work, 15 schools giving training in woodworking are to be converted into general industrial training centres, preparing workers for a number of trades.

Australia, which has allotted \$6,720,000 for economic assistance designed to improve the defensive strength of SEATO, sent a mission to the Asian member countries late in 1958 to investigate the possibility of assisting them to overcome their shortages of skilled labour.

Other steps in the economic field include a French offer of technical scholarships and the service of experts on request. Awards to the Asian member countries for technical training in

its institutions and factories have been offered by New Zealand.

Within the Secretariat-General, the Economic Services Office prepared studies for the Committee of Economic Experts, and made reports for the member Governments on current economic problems and developments, including aid offered and provided to the member countries of the Treaty Area and the States covered by the Protocol to the Treaty.⁴

Cultural Relations

The main purposes of the SEATO cultural relations programme are to give the peoples of the member countries increased awareness of the common values of their respective cultures; to promote closer co-operation in scientific research and technological development; and to improve mutual knowledge of each other's cultures.

The cultural programme was considerably expanded in 1958. A second series of research fellowships was begun, awards being made to 11 advanced scholars to undertake research projects. Scholars are selected on the basis of the contribution their work is likely to make to understanding of the problems of the Treaty Area, or to assist the economic and social advancement of its peoples. A third series of fellowships was announced in January this year.⁵

The establishment of 12 post-graduate scholarships, and not fewer than 30 under-graduate scholarships, for students of universities in the Asian member countries, 6 travelling lectureships and 3 professorships was approved. Awards were announced late in 1958 and early this year for all these projects.

The post-graduate scholarships provide students with the opportunity to travel for the purpose of study at a university of one of the other Asian member countries; the under-graduate scholarships assist students of promise to complete their degrees in universities in their own countries.

The professorships are intended to supplement the training offered by the universities of the Asian member countries. On the basis of requests made by Pakistan, the Philippines and Thailand, a SEATO professorship has been established for one year, with the possibility of extension, at a university in each country.

The purpose of the lectureship programme is to bring cultural leaders of high standing to the Asian member countries. The travelling lecturers spend two to three weeks in each country they visit, fulfilling speaking engagements, and bringing up-to-date their knowledge of local problems and progress in their particular fields of interest.

A further cultural activity was the publication of a book giving a summary of the discussions and the full texts of papers delivered at the South-East Asian Round Table, which brought together 14 eminent scholars—9 from the member countries, 2 from India, and 1 each from Japan, Vietnam and Sarawak—in Bangkok early in 1958 to discuss the impact of Western technology on Asian traditional cultures.

The development of the SEATO cultural programme over a five-year period was discussed by an ad hoc committee on cultural policy in mid-1958. Proposals made by the committee will be considered at the forthcoming meeting of the Council.

Public Information Activities

The SEATO Public Information Office supplements the efforts of the member Governments to explain the aims and work of the Organization. The office produces material which the member Governments may use for national purposes to make known the nature of Communism; and seeks to develop the sense of association among the member countries.

Publications totalling nearly one million copies were produced in 1958. The office completed its range of basic information pamphlets, and is now producing a number of books and pictorial posters. Twenty radio programmes were produced in 1958 and distributed to the radio services of the member countries. This aspect of the office's work is expanding.

One film, "Partners for Peace", was completed for the Organization by the New Zealand National Film Unit. A cartoon film is being produced by the United States Information Agency and is nearly ready for exhibition. Four further films have been planned.

The work of the Public Information Office is being expanded and diversified, and, with an augmented staff, the office can give more attention to the specialized needs of the individual member countries.

The Committee on Information, Cultural, Edu-

⁴ Cambodia, Laos and Vietnam. [Footnote in original.]

⁵ BULLETIN of Mar. 30, 1959, p. 444.

cation and Labour Activities held one meeting in 1958. In addition to surveying co-operation among the member Governments over a wide field, the committee made recommendations for the future development of the work of the Cultural Relations Office, Public Information Office, and Research Services Office.

Official Tours

Since the last meeting of the SEATO Council I have made official visits to six of the member countries at the invitation of their Governments.

In August, 1958, I visited Australia and New Zealand, and at the end of December another tour was made which included visits to Pakistan, the United Kingdom, France and the United States.

Such visits are invaluable. They enable the Organization to obtain the views of members of the SEATO Council, and officials of the Foreign Offices of the member Governments on its work and development. Such visits also focus the attention of the peoples of the member countries on SEATO and the importance of its role in collective defence.

In the course of the latter tour I also visited the headquarters of the Baghdad Pact Organization in Ankara, and those of NATO in Paris. These visits began the implementation of the directive of the SEATO Council a year ago that an exchange of information should be developed between SEATO and other collective defence organizations of the Free World.

Visitors

There were numerous distinguished visitors to SEATO Headquarters in 1958. Among them were the Prime Minister of New Zealand, the Rt. Hon. Walter Nash, and General Thanom Kittikachorn, then Prime Minister of Thailand.

RECORD OF CO-OPERATION

The member Governments have co-operated wholeheartedly with one another in the past year in fulfilling the objectives of the South-East Asia Collective Defence Treaty.

Meeting the Subversive Threat

Member countries continued to assist one another by the exchange of information and training of officials, with a view to combatting Communist subversion.

In Pakistan, the Philippines and Thailand, where the Communist Party is outlawed, strong measures were taken in 1958 to suppress subversive activities.

•The threat of Communist subversion in *Pakistan* had lessened towards the end of the year, partly as a result of an improvement in general administration and in economic conditions. There was practically no open Communist agitation, but "front" organizations were still active.

•In the *Philippines*, efforts were intensified to capture the leaders of the Communist Hukbalahap movement. Since the outlawing of the Communist Party in June, 1957, at least ten important figures in the movement have been apprehended. The number of armed dissidents at the end of 1958 was estimated at only 400, compared with 700 earlier in the year.

•Resolute action by the Government brought Communist subversive activities—particularly among the press, political parties, students and labour unions—to a standstill in *Thailand*. A number of extreme left-wing newspapers which were suspected of receiving outside aid were closed. A ban was placed on the importation and sale of goods from Communist China.

Military Co-operation

The known military preparedness of Communist China, its vast military potential, and the support it might expect to receive from the Communist bloc in committing aggression in the Treaty Area constitute a continuing threat to the member nations of SEATO.

Individually and together, the member countries have therefore improved their defensive techniques and the co-ordination of their forces in the past year. SEATO combined exercises have demonstrated their combat effectiveness.

The emphasis has remained on the building up of highly trained and mobile defence forces.

Bilateral military assistance programmes were continued in 1958.

Australia has devoted a large part of the sum set aside for economic assistance for SEATO defence to the provision of non-combat equipment to the forces of the Asian member countries. Training was given to 69 students from other SEATO countries in Australian service establishments in 1958.

France, which maintains military missions in

Cambodia and Laos, continued her assistance in training and equipment to these countries and has completed a programme of gendarmerie training in the Republic of Vietnam. Thai and Pakistani officers attended French military schools.

The United Kingdom provided training for service personnel from Australia, New Zealand, Pakistan and Thailand.

The United States continued to give military assistance, with emphasis on technical training, to the Asian member countries. Since the creation of SEATO, 27,947 students from the armed forces of the other member countries have completed courses of training in United States service schools. On June 30, 1958, a total of 406 were in training.

The United States and the Philippines are collaborating in the establishment of the Pacific Defence college in the Philippines, which will provide training in combined and joint operations for military officers of the SEATO member nations and other free nations in the Western Pacific area.

Economic Aid

In the three Asian member countries economic development continued in 1958 but at a lower rate than in the previous year. Falling prices for agricultural and mineral products, and unfavourable climatic conditions affecting agricultural output were reflected in adverse balances of payments. Inflationary pressures, as in other Asian countries, tended to increase.

In spite of these difficulties, Pakistan, the Philippines and Thailand are making progress by their own efforts and assistance from their SEATO partners.

The total amount of aid received by Pakistan, the Philippines, Thailand and the States covered by the Protocol to the Treaty in 1958 under various international programmes is estimated at over \$600 million. This aid was given mainly on a bilateral basis.

Australia, in addition to its economic assistance for SEATO defence, provided capital aid amounting to \$2.7 million under the Colombo Plan to the Asian member countries and the States covered by the Protocol to the Treaty in the year ended September 30, 1958. In the technical assistance field, Australia has received 571 trainees from these countries since the inception of the Plan, and has supplied 78 experts and large quantities of technical equipment.

France granted scholarships for training and supplied expert missions to the Asian member countries, and concentrated its efforts in the States covered by the Protocol to the Treaty. Development works assisted in these States ranged from the construction of wharves and airports to the provision of equipment for hospitals, scientific institutes and laboratories. The total amount of aid to these States in 1958 exceeded \$9 million.

New Zealand's aid under the Colombo Plan to the member nations and States covered by the Protocol amounted to \$5.2 million by November, 1958. A total of 118 trainees had undertaken or were undertaking courses in New Zealand and 15 experts had been provided. The fields in which assistance has been given are agriculture, health, education and industry.

The United Kingdom gave aid totalling nearly \$5.5 million to member countries in the Treaty Area and States covered by the Protocol in the year ended October 31, 1958.

United States assistance amounted to \$340 million, comprising grants and loans under the Mutual Security Programme, credits by the Export-Import Bank, and grants and loans of local currency acquired under the Agricultural Trade Development and Assistance Programme. In addition, the member countries and the States covered by the Protocol benefitted by assistance from the President's Fund for Asian Economic Development and the Development Loan Fund.

Projects to be financed from the President's Fund include the construction of telecommunications facilities in Thailand, Laos and Vietnam, and a road and railway project to improve communications between Pakistan and Afghanistan. In its first nine months of operations, the Development Loan Fund had, up to October 31, 1958, approved loans totalling \$92 million for such projects as water and sewage installations, railway facilities and irrigation in countries in the Treaty Area.

The encouragement of private investment by the Asian member countries and States covered by the Protocol had good results in 1958, and a significant contribution to the development of the area was made by private institutions.

Cultural and Social Ties

By encouraging goodwill visits, study tours and other forms of cultural exchange, the member Gov-

ernments have continued to show their desire to increase mutual confidence, goodwill and understanding among their peoples.

Australia's friendly relations with other member countries of the Treaty Area and the States covered by the Protocol to the Treaty were fostered during 1958 by an increase in the number of students and other visitors. The latter included 23 Asian journalists.

Educational assistance given by Australia included the sending of experts in the teaching of English to the Protocol States, scholarships to students of these countries and the Asian member countries to study in Australia, the supply of textbooks and equipment for research and correspondence courses at university level for Philippine and Thai students.

France granted 60 scholarships, provided the services of educational experts to the Asian member countries, and sponsored journeys to France by leading personalities from these countries.

Scientific establishments, and schools with a total enrolment of nearly 13,000, are maintained by France in the States covered by the Protocol to the Treaty. In Laos and Vietnam, France maintains 145 professors and teachers; the salaries of 200 professors and teachers in Cambodia are shared with the Cambodian Government.

France awarded over 1,000 scholarships for study in French and local institutions to students of the Asian member countries and the States covered by the Protocol.

New Zealand provided courses of study for students from the Asian member countries and Vietnam, and supplied experts to these countries.

Pakistan is offering scholarships to France and the Philippines to promote cultural relations.

Art exhibits were exchanged by Pakistan and France, and a comprehensive exhibition of Pakistani art and archaeology for display in the United States is being planned.

Philippine cultural groups and an exhibition of contemporary paintings toured other member countries in Asia.

Students from other member countries took part in international festivals at Philippine universities.

Thailand offered fellowships and scholarships to students of the member countries and other countries in the Treaty Area. Educational assistance to Laos included the offer of higher educa-

tion in Thailand to 85 students and the supply of journals, documents, and textbooks. During the year there was an increase in the number of students and visitors. These included 175 educators who came to observe educational methods in Thailand.

The United Kingdom received 17 visitors from Pakistan and 9 from Thailand under the auspices of the British Council. Lecture tours by 11 visiting experts were sponsored by the British Council in Pakistan and 4 similar tours were arranged in Thailand.

Direct educational aid in the form of equipment, books and films, and (except for the Philippines) teaching staff, was given by the United Kingdom to the Asian member and non-member countries.

A large proportion of trainees from the Treaty Area visiting the United Kingdom under the Colombo Plan were from the Asian member countries and States covered by the Protocol.

The United States gave extensive educational assistance, through the supply of experts and equipment to the Asian member and non-member countries. Under an international educational exchange programme, 407 grants for visits to the United States were made to nationals of these countries and Australia and New Zealand, which in turn received 164 holders of grants from the United States, in the year ended June 30, 1958.

Information on SEATO

In addition to securing extensive press and radio coverage for SEATO programmes and events, and giving national distribution to SEATO publications, member Governments in 1958 sponsored essay contests on the subject of collective security in South-East Asia, and arranged for the commemoration of SEATO Day, the anniversary of the signing of the South-East Asia Collective Defence Treaty.

CONCLUSION

SEATO was born from the determination of its members to preserve their freedom and way of life, and to choose their independent path into the future.

United in the free and equal partnership of SEATO, they have created a bond between nations of East and West, in which widely separated peo-

ples of different races and religions find a common basis for action.

They are determined to oppose aggression and subversion, and by so doing to give hope and encouragement to the peoples of South-East Asia in furthering their spiritual and material progress.

In the conviction that the free nations must stand together to assure peace and security throughout the world, they will continue to strengthen the protective shield of SEATO, as an instrument of collective defence and international co-operation.

TREATY INFORMATION

Current Actions

MULTILATERAL

Aviation

Convention on international civil aviation. Done at Chicago December 7, 1944. Entered into force April 4, 1947. TIAS 1591.

Adherence deposited: Republic of Guinea, March 27, 1959.

Amendment of article V of agreement for joint financing of certain air navigation services in Greenland and the Faroe Islands (TIAS 4049) by increasing assessment limits.

Amendment of article V of agreement for joint financing of certain air navigation services in Iceland (TIAS 4048) by increasing assessment limits.

Adopted at the Second Special North Atlantic Fixed Services Meeting, Paris, January 12-21, 1959.

Entered into force: February 25, 1959 (consents in excess of 90 percent of contracting governments having been received pursuant to article VI of agreements).

Customs Tariffs

Convention creating the international union for the publication of customs tariffs, regulations of execution, and final declarations. Signed at Brussels July 5, 1890. Entered into force April 1, 1891. 26 Stat. 1518.

Adherence deposited: Federation of Malaya, March 2, 1959.

Protocol modifying the convention of July 5, 1890 (26 Stat. 1518), creating an international union for the publication of customs tariffs. Done at Brussels December 16, 1949. Entered into force May 5, 1950. TIAS 3922.

Adherence deposited: Federation of Malaya, March 2, 1959.

Drugs

Protocol for termination of agreement for unification of pharmacopoeial formulas for potent drugs of November 29, 1906 (TS 510). Signed at Geneva May 20, 1952. Entered into force May 20, 1952. TIAS 2692.

Notification by United Kingdom of application to: Aden; Basutoland; Bechuanaland Protectorate; Bermuda; British Guiana; British Honduras; Brunei; Cyprus;

Fiji; Gambia; Hong Kong; Kenya; Malta; Mauritius; Federation of Nigeria—Northern, Eastern, and Western Regions; North Borneo; Federation of Rhodesia and Nyasaland; Swaziland; St. Helena; Sarawak; Seychelles; Sierra Leone; Singapore; Somaliland Protectorate; Tanganyika (under United Kingdom Trusteeship); Uganda Protectorate; The West Indies—Bahamas, Barbados, Jamaica, Leeward Islands (Antigua, Montserrat, St. Kitts—Nevis, Anguilla), Trinidad, Windward Islands (Dominica, Grenada, St. Lucia); Western Pacific High Commission Territories—Gilbert and Ellice Islands Colony; British Solomon Islands Protectorate; February 24, 1959.

Weather

Convention of the World Meteorological Organization. Done at Washington October 11, 1947. Entered into force March 23, 1950. TIAS 2052.

Accession deposited: Republic of Guinea, March 27, 1959.

BILATERAL

Ecuador

Agreement amending the agricultural commodities agreement of June 30, 1958 (TIAS 4105). Effected by exchanges of notes at Quito February 16, 23, and 27 and March 9, 1959. Entered into force March 9, 1959.

Germany

Agreement on German external debts. Signed at London February 27, 1953. Entered into force September 16, 1953 (TIAS 2792).

Notification by Netherlands of extension to: Surinam, March 3, 1959.

Portugal

Parcel post agreement and regulations of execution. Signed at Lisbon January 12, 1959, and at Washington February 27, 1959. Enters into force on a date to be mutually settled between the postal administrations of the two countries.

Sudan

Agreement relating to investment guaranties under section 413(b)(3) of Mutual Security Act of 1954 (68 Stat. 847; 22 U.S.C. 1933). Effected by exchange of notes at Khartoum March 17, 1959. Entered into force March 17, 1959.

DEPARTMENT AND FOREIGN SERVICE

Post at Yaoundé, Cameroun Raised to Consulate General

The Department of State announced on April 6 (press release 250) that the American Consulate at Yaoundé, Cameroun, which was opened in June 1957, will be elevated to a Consulate General April 10. Yaoundé is the capital of Cameroun, a U.N. territory under French administration, which is scheduled to gain its independence on January 1, 1960.

Bolard More will be Consul General at Yaoundé and is scheduled to arrive at the post on July 18.

Atomic Energy. Soviet Diplomacy: A Challenge to Freedom (Wilcox) 590

Aviation. U.S. Note on Japan and Baltic Sea Plane Incidents Sent to Soviets (texts of U.S. and Soviet notes) 597

Cameroun. Post at Yaoundé, Cameroun, Raised to Consulate General 614

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No.	Date	Subject
*246	4/6	Educational exchange (Brazil).
†248	4/6	Conference of U.S. Ambassadors in Caribbean area.
249	4/6	Note to U.S.S.R. on Baltic and Japan seas incidents.
250	4/6	Post at Yaoundé, Cameroun, raised to consulate general (rewrite).
251	4/7	Beale: treaty with Sultanate of Muscat and Oman.
*252	4/7	Palmer: Cherry Blossom Festival.
253	4/9	Wilcox: "Soviet Diplomacy: A Challenge to Freedom."
254	4/10	Mann: Fluorspar Production Act.
255	4/10	DLF loan to Korea (rewrite).
256	4/10	DLF loans in Jordan, Nigeria, Pakistan, and Uruguay (rewrite).
257	4/10	Loan to Iceland.
258	4/10	DLF loan to Thailand (rewrite).
259	4/10	SEATO communique.

*Not printed.
†Held for a later issue of the BULLETIN.

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NATO

1949-1959

THE FIRST TEN YEARS

April 4, 1959, marked the 10th anniversary of the signing of the North Atlantic Treaty, which links the United States with 14 other free nations for our mutual security and progress.

This new Department of State publication, prepared in conjunction with the anniversary observance, describes the aims and achievements of NATO in its first decade of existence.

The colorful 44-page pamphlet, prefaced by a message from President Eisenhower, contains a series of questions and answers on NATO's purpose, organization, financing, and relationship to other international organizations of the free world. The publication is illustrated with drawings and with an organization chart.

Copies may be purchased from the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C., for 25 cents each.

Publication 6783

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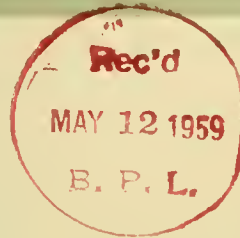
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Bulletin



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May 4, 1959

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THE DEPARTMENT OF STATE

Bulletin

VOL. XL, No. 1036 • PUBLICATION 6814

May 4, 1959

The Department of State BULLETIN, a weekly publication issued by the Public Services Division, Bureau of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, United Nations documents, and legislative material in the field of international relations are listed currently:

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The printing of this publication has been approved by the Director of the Bureau of the Budget (January 20, 1958).

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President Eisenhower Accepts Resignation of Secretary Dulles

Following is an exchange of letters between President Eisenhower and Secretary Dulles, released by the White House at Augusta, Ga., on April 16, in which the President accepted Mr. Dulles' resignation as Secretary of State.

President Eisenhower to Secretary Dulles

APRIL 16, 1959

DEAR FOSTER: I accept with deepest personal regret and only because I have no alternative, your resignation as Secretary of State, effective upon the qualification of your successor.

In so doing, I can but repeat what the vast outpouring of affection and admiration from the entire free world has told you. You have, with the talents you so abundantly possess and with your exemplary integrity of character, employed your rich heritage as well as your unique experience in handling our relations with other countries. You have been a staunch bulwark of our nation against the machinations of Imperialistic Communism. You have won to the side of the free world countless peoples, and inspired in them renewed courage and determination to fight for freedom and principle. As a statesman of world stature you have set a record in the stewardship of our foreign relations that stands clear and strong for all to see.

By this letter I request you to serve in the future, to whatever extent your health will permit, as a consultant to me and the State Department in international affairs. I know that all Americans join me in the fervent hope that you will thus be able to continue the important contributions that only you can make toward a just peace in the world.

With affectionate regard.

As ever,

D.E.



JOHN FOSTER DULLES

Secretary of State, January 1953–April 1959

Secretary Dulles to President Eisenhower

APRIL 15, 1959

DEAR MR. PRESIDENT: It is apparent to me that I shall not be well enough soon enough to continue to serve as Secretary of State. Accordingly, I tender my resignation to be effective at your convenience.

I am deeply grateful for the opportunities and responsibilities you have given me.

I was brought up in the belief that this nation of ours was not merely a self-serving society but was founded with a mission to help build a world where liberty and justice would prevail. Today

that concept faces a formidable and ruthless challenge from International Communism. This has made it manifestly difficult to adhere steadfastly to our national idealism and national mission and at the same time avoid the awful catastrophe of war. You have given inspiring leadership in this essential task and it has been a deep satisfaction to me to have been intimately associated with you in these matters.

If I can, in a more limited capacity, continue to serve, I shall be happy to do so.

Faithfully yours,

JOHN FOSTER DULLES

Confidence in the Continuing Growth and Strength of America

*Remarks by President Eisenhower*¹

This is the seventh time that I have had the honor of meeting with this group. Always before I have spoken extemporaneously, but I thought as a change of pace that it might be a good idea to take the results of some of my Augusta contemplation and put it on paper and therefore address you from notes.

First of all, of course, it is a great privilege to welcome you back to Washington, and once again you have my sincere thanks for the significant contributions you have made in developing a better public understanding of the important issues that confront our Nation.

I am especially grateful for your response to the serious economic challenge we experienced during the past year. Each of you will recall that when you were meeting here last May we were still at a very low point in the recent recession. Production was off, unemployment was up, and pessimistic voices were loud in the land.

Although the basic soundness of our economy was not in jeopardy, there was a danger that the prophets of doom might undermine confidence to the point where normal recovery would be unnecessarily and seriously retarded. It was per-

fectly possible for us to talk ourselves into far worse circumstances than we actually were.

“Confidence Campaign”

Obviously many of you recognized this possibility. Even before I met with you last year you had launched your now-famous “confidence campaign,” designed to put all the talk about recession back into a proper perspective.

This “confidence campaign” was a material factor influencing the recovery movement that started last summer. Many other specific factors of course played a part in bringing about the upturn. But this matter of confidence—of morale—is fundamental to any human activity.

Without confidence, constructive action is difficult—often impossible. With it, miracles can be performed.

So I know you are all pleased to see the gains that recovery continues to chalk up. Total employment in March this year stood at nearly 64 million—a million above February, and a million and a half above a year ago. Unemployment at the end of March stood at 4,362,000—a drop of about 400,000 from the February total. We have every reason to believe that this trend will continue. Personal incomes are setting records each month, and the gross national product is now running at an alltime high of \$464 billion a year. And what is vitally important—we have been making this recovery while maintaining the soundness and honesty of our dollar! The consumer price index has held steady for nearly a year, which means that the recovery figures are genuine gains in actual buying power and goods produced.

We have made a fine start, and all the hard work we’ve done so far has paid off in stability. But we can’t afford to relax for a single minute.

Some have told me that I am too concerned about this problem of inflation because for several months the indices have been reasonably steady. They forget that it is too late to repair a leaky roof when the rain is pouring down. This is exactly the time to think about inflation, because we can be certain that the problem will return to beset us. Only the most persistent counterpressures will keep prices where they belong. As usual the Advertising Council has anticipated the need, and you are well under way on your sound-

¹Made before the 1959 Washington Conference of the Advertising Council at Washington, D.C., on Apr. 13 (White House press release).

dollar campaign. I congratulate you on your foresight and wish you every success on this latest of your important undertakings.

Building for the Future

Turning to the international situation, I note that Mr. Herter has just given you a briefing on this subject; so my own remarks will be short. But I would like to leave with you this thought:

We are up against a problem that has no fixed or definitely foreseeable termination. As long as the Communists insist that their aim is to dominate the world, we have no choice but to adopt measures that will prevent this from happening. So we follow the only sound course open to us. We hold up a military shield and from behind that shield we strive to build a world that is decent, a world that is rewarding to people.

If we can do this indefinitely, as to time—and confidently throughout the free world—then the Communist threat will tend gradually to shrink because the possibility of growth will be denied to it. Remember, two-thirds of the world's people and the great preponderance of its productive resources are on our side of the Iron Curtain. The need of America, of the free world, is to develop this great unrealized potential for peace, justice, and freedom.

This is going to take a long time. The vital requirement is not by any means exclusively a matter of military strength; the free nations urgently need economic growth and the free communication of ideas. The mainspring of this effort will be our American economy with our body of progressive traditions, knowledge, and beliefs.

We are challenged to prove that any nation, wherever it is, whatever its strength, can prosper in freedom, that slavery is not necessary to economic growth even in the atmosphere of a cold war of conflicting ideologies. We will have to show that people need not choose between freedom and bread; they can earn both through their own efforts. We must prove to other peoples what we have already proved to ourselves: that in providing for man's material needs private enterprise is infinitely superior to Communist state capitalism.

America must demonstrate to the world, even under the conditions of a global struggle, that personal liberty and national independence are not only cherished dreams; they are workable political concepts. Broadly stated, the test before us is an exercise in living—living in the presence of danger. We can recognize the danger, in potential aggression, and provide against it. But security is only one of the requirements of society. Our ability to go on existing as a free nation is the product of several factors, all interdependent. For example, such matters as solvency and security are natural complements in a free society. Over the long term we either provide for both or we will discover that we have provided for neither.

This is why it is so important that we do not become unhinged by tension and by crises; why we have such a direct concern in the long-range results of our educational process in the Nation; why we should concern ourselves with the trade problems of other free countries. This is why a stable dollar and a sound fiscal policy are so essential. Orderly, meaningful economic expansion cannot take place if inflation rots away the value represented in loans, insurance, pensions, and personal savings.

Economic expansion is an absolute necessity if we are to find jobs for our growing labor force, meet the Communist economic challenge, and pay for our costly armaments. Always we must act in the concept that we are building for the future—for the world of our children and those who come after them. We are the trustees of an ancient and noble inheritance which embodies the conviction of our forefathers that all men are endowed by their Creator with certain rights, rights that spell human dignity. We owe to those who will come after us the most responsible stewardship of these priceless values that we know how to provide.

So it is that we need a continuing "confidence campaign"—one to be practiced by all who believe in America. We need people who can look beyond today's tensions and tomorrow's troubles to see us as we really are: a powerful, peaceful nation, in whose continued growth and strength are found the one great hope of the world.

Developing the Rule of Law for the Settlement of International Disputes

Address by Vice President Nixon¹

An invitation to address this distinguished audience is one of the most flattering and challenging a man in my position could receive.

Flattering because the very name of this organization at least implies that the profession which I am proud to represent can properly be described as a science rather than by some of the far less complimentary terms usually reserved for politics and politicians.

And challenging because I realize that an Academy of Political Science expects a speech of academic character. I hasten to add, however, if it is proper to quote a Princeton man at a Columbia gathering, that in using the term "academic" I share Woodrow Wilson's disapproval of the usual connotation attached to that word. Speaking on December 28, 1918, in London's Guildhall he said: "When this war began a league of nations was thought of as one of those things that it was right to characterize by a name which, as a university man, I have always resented. It was said to be academic, as if that in itself were a condemnation, something that men could think about but never get."

In my view the primary function of the practicing politician and of the political scientist is to find ways and means for people to get those things they think about; to make the impractical practical; to put idealism into action.

It is in that spirit that I ask you to analyze with me tonight the most difficult problem confronting our society today. It is, as I am sure we will all agree, the simple but overriding question

of the survival of our civilization. Because, while none of us would downgrade the importance of such challenging problems as the control of inflation, economic growth, civil rights, urban redevelopment, we all know that the most perfect solutions of any of our domestic problems will make no difference at all if we are not around to enjoy them.

Perhaps at no time in the course of history have so many people been so sorely troubled by the times and dismayed by the prospects of the future. The almost unbelievably destructive power of modern weapons should be enough to raise grave doubts as to mankind's ability to survive even were we living in a world in which traditional patterns of international conduct were being followed by the major nations. But the threat to our survival is frighteningly multiplied when we take into account the fact that these weapons are in the hands of the unpredictable leaders of the Communist world as well as those of the free world.

What is the way out of this 20th-century human dilemma? For the immediate threat posed by the provocative Soviet tactics in Berlin, I believe that to avoid the ultimate disaster of atomic war on one hand, or the slow death of surrender on the other, we must continue steadfastly on the course now pursued by the President and the Secretary of State.

In the record of American policy, as it has unfolded since the time of Korea, our national resolves to stand firm against Communist aggression are clearly revealed. This has particularly been the case since the policy of containment matured into the policy of deterrence. In the recurrent

¹ Made before the Academy of Political Science at New York, N.Y., on Apr. 13.

post-Korean crises of the Formosa Straits, the Middle East, and now Berlin, the President and Mr. Dulles have given the Soviet leaders no possible cause to misconstrue the American intent.

I believe moreover that the Soviet leaders are equally on notice that regardless of which political party holds power in Washington these policies of resolute adherence to our principles, our commitments, and our obligations will prevail. I specifically want to pay tribute to members of the Democratic Party in the Congress for putting statesmanship above partisanship by making this clearly evident in the developing situation of Berlin.

We can also take confidence in the fact that at this moment the United States possesses military power fully adequate to sustain its policies, and I am certain that whatever is necessary to keep this balance in favor of the free nations and the ideals of freedom will be done, by this administration and by its successors regardless of which political party may be in power.

What this posture of resolute national unity taken alone must mean in the end, however, is simply an indefinite preservation of the balance of terror.

We all recognize that this is not enough. Even though our dedication to strength will reduce sharply the chances of war by deliberate overt act, as long as the rule of force retains its paramount position as the final arbiter of international disputes there will ever remain the possibility of war by miscalculation. If this sword of annihilation is ever to be removed from its precarious balance over the head of all mankind, some more positive courses of action than massive military deterrence must somehow be found.

Alternatives to Force

It is an understandable temptation for public men to suggest that some "bold new program" will resolve the human dilemma—that more missiles, more aid, more trade, more exchange, or more meetings at the summit will magically solve the world's difficulties.

The proposals that I will suggest tonight are not offered as a panacea for the world's ills. In fact the practice of suggesting that any one program, whatever its merit, can automatically solve the world's problems is not only unrealistic but,

considering the kind of opponent who faces us across the world today, actually can do more harm than good in that it tends to minimize the scope and gravity of the problems with which we are confronted by suggesting that there may be one easy answer. But while there is no simple solution for the problems we face, we must constantly search for new practical alternatives to the use of force as a means of settling disputes between nations.

Men face essentially similar problems of disagreement and resort to force in their personal and community lives as nations now do in the divided world. And, historically, man has found only one effective way to cope with this aspect of human nature—the rule of law.

More and more the leaders of the West have come to the conclusion that the rule of law must somehow be established to provide a way of settling disputes among nations as it does among individuals. But the trouble has been that as yet we have been unable to find practical methods of implementing this idea. Is this one of these things that men can think about but cannot get?

Let us see what a man who had one of the most brilliant political and legal minds in the Nation's history had to say in this regard. Commenting on some of the problems of international organization the late Senator Robert Taft said:

I do not see how we can hope to secure permanent peace in the world except by establishing law between nations and equal justice under law. It may be a long hard course but I believe that the public opinion of the world can be led along that course, so that the time will come when that public opinion will support the decision of any reasonable impartial tribunal based on justice.

We can also be encouraged by developments that have occurred in this field in just the past 2 years.

Not surprisingly the movement to advance the rule of law has gained most of its momentum among lawyers. Mr. Charles Rhyne, a recent president of the American Bar Association, declared in a speech to a group of associates in Boston a few weeks ago that there is "an idea on the march" in the world. He was referring to the idea that ultimately the rule of law must replace the balance of terror as the paramount factor in the affairs of men.

At the time of the grand meeting of the American Bar Association in London in July 1957, speaker after speaker at this meeting—the Chief Justice of the United States, the Lord Chancellor of Great Britain, the Attorney General of the

United States, and Sir Winston Churchill—eloquently testified that the law must be made paramount in world affairs.

An adviser to the President, Mr. Arthur Larson, left the White House staff to establish a World Rule of Law Center at Duke University.

One hundred and eighty-five representatives of the legal professions of many nations of earth met in New Delhi last January and agreed that there are basic universal principles on which lawyers of the free world can agree.

A year ago, through the activity of the Bar Association and by proclamation of the President, May 1—the Communist May Day—became Law Day in the United States.² The Bar Association stimulated more than 20,000 meetings over the country on the first Law Day. In a few weeks this tribute to an advancing idea will be repeated on a far greater scale.

President Eisenhower, you will recall, said in his state of the Union message last January:³

It is my purpose to intensify efforts during the coming 2 years . . . to the end that the rule of law may replace the rule of force in the affairs of nations. Measures toward this end will be proposed later, including reexamination of our own relation to the International Court of Justice.

I am now convinced, and in this I reflect the steadfast purpose of the President and the wholehearted support of the Secretary of State and the Attorney General, that the time has now come to take the initiative in the direction of establishment of the rule of law in the world to replace the rule of force.

Fuller Use of International Court

Under the charter of the United Nations and the statute of the International Court of Justice, institutions for the peaceful composing of differences among nations and for lawgiving exist in the international community. Our primary problem today is not the creation of new international institutions but the fuller and more fruitful use of the institutions we already possess.

The International Court of Justice is a case in point. Its relative lack of judicial business—in its 12-year history an average of only two cases a year

² For text of the proclamation, see BULLETIN of Feb. 24, 1958, p. 293.

³ *Ibid.*, Jan. 26, 1959, p. 115.

have come before the tribunal of 15 outstanding international jurists—underlines the untried potentialities of this Court. While it would be foolish to suppose that litigation before the Court is the answer to all the world's problems, this method of settling disputes could profitably be employed in a wider range of cases than is presently done.

As the President indicated in his state of the Union message, it is time for the United States to reexamine its own position with regard to the Court. Clearly all disputes regarding domestic matters must remain permanently within the jurisdiction of our own courts. Only matters which are essentially international in character should be referred to the International Court. But the United States reserved the right to determine unilaterally whether the subject matter of a particular dispute is within the domestic jurisdiction of the United States and is therefore excluded from the jurisdiction of the Court. As a result of this position on our part, other nations have adopted similar reservations. This is one of the major reasons for the lack of judicial business before the Court.

To remedy this situation the administration will shortly submit to the Congress recommendations for modifying this reservation. It is our hope that, by our taking the initiative in this way, other countries may be persuaded to accept and agree to a wider jurisdiction of the International Court.

Settling Economic Disputes

There is one class of disputes between nations which, in the past, has been one of the primary causes of war. These economic disputes assume major importance today at a time when the cold war may be shifting its major front from politics and ideology to the so-called "ruble war" for the trade and the development of new and neutral countries.

As far as international trade is concerned, an imposing structure of international agreements already exists. More complex and urgent than trade, as such, is the area of international investment. For in this area will be determined one of the most burning issues of our times—whether the economic development of new nations, so essential to their growth in political self-confidence and

successful self-government, will be accomplished peacefully or violently, swiftly or wastefully, in freedom or in regimentation and terror.

We must begin by recognizing that the task of providing the necessary capital for investment in underdeveloped countries is a job too big for mere government money. Only private money, privately managed, can do it right in many sectors of needed development. And private investment requires a sound and reliable framework of laws in which to work.

Economic development, involving as it does so many lawyers and so many private investors, will tend to spread and promote more civilized legal systems wherever it goes. Already, in its effort to encourage United States private investment abroad, the United States Government has negotiated treaties of commerce with 17 nations since 1946, tax conventions with 21 nations, and special investment guarantee agreements under the Mutual Security Act with 40 nations. A host of other special arrangements are in effect, such as those under which we have helped 6 nations draft better domestic legislation relating to foreign investment.

What has been done is for the most part good, but there are several areas where additional action is called for. The countries that need economic development most are too often least likely to have the kind of laws, government, and climate that will attract investment. The political risks of expropriation and inconvertibility against which the International Cooperation Administration presently sells insurance are not the only political risks that investors fear. Three United States Government commissions, as well as numerous private experts, have recently recommended a variety of improvements in our machinery for fostering foreign investment.

I select three for particular endorsement. Our laws should permit the establishment of foreign-business corporations meriting special tax treatment, so that their foreign earnings can be reinvested abroad free of United States tax until the United States investor actually receives his reward. In addition more tax treaties should be speedily negotiated to permit "tax sparing" and other reciprocal encouragements to investors. The ICA guarantee program should be extended to include such risks as revolution and civil strife. Finally, a concerted effort should be made to ex-

tend our whole treaty and guarantee system into more countries, especially those in most need of development.

The great adventure of economic development through a worldwide expansion of private investment is bound to develop many new forms and channels of cooperation between governments and between individuals of different nations. We need not fear this adventure; indeed we should welcome it. For if it sufficiently engages the imagination and public spirit of the legal profession and others who influence public opinion, it must be accompanied by the discovery or rediscovery, in countries old and new, of the legal principles and the respect for substantive law on which wealth and freedom alike are grounded.

There are encouraging signs at least that we are on the threshold of real progress toward creating more effective international law for the settlement of economic disputes between individuals and between nations.

Question of Interpretation of Agreements

Turning to the political area, we have now come far enough along in the great historic conflict between the free nations and the Communist bloc to know that negotiation and discussion alone will not necessarily resolve the fundamental issues between us. This has proved to be the case whether the negotiations took place through the very helpful processes of the United Nations or at the conference table of foreign ministers or even at what we now call the summit.

What emerges, eventually, from these meetings at the conference table are agreements. We have made a great many agreements with the Soviet leaders from the time of Yalta and Potsdam. A major missing element in our agreements with the Soviet leaders has been any provision as to how disputes about the meaning of the agreements in connection with their implementation could be decided.

Looking back at the first summit conference at Geneva, for example, we find that it produced an agreement, signed by the Soviet leaders, which elevated the hopes of the entire world. It should be noted, however, that the President and the Secretary of State repeatedly warned both before and after the holding of the conference that success could be measured only in deeds. One of the announced purposes of the conference was to

test the Soviet sincerity by the standard of performance.

The summit conference has since been characterized by some as a failure, but in terms of agreements, as such, it was a success.

Let me quote briefly from that agreement:⁴

The Heads of Government, recognizing their common responsibility for the settlement of the German question and the re-unification of Germany, have agreed that the settlement of the German question and the re-unification of Germany by means of free elections shall be carried out in conformity with the national interests of the German people and the interests of European security.

In other words, those who participated in the conference, including Mr. Khrushchev, agreed at Geneva on a sound method for dealing with the German problem—the very same problem from which he has now fathered the new crisis at Berlin. But while the agreement seemed clear, as events subsequently developed Mr. Khrushchev's understanding of its meaning was ostensibly different from ours.

The crucial question remained: How was the agreement to be effective when the parties disagreed as to what it meant? This is typical of a problem that can arise wherever any agreement is entered into between nations.

In looking to the future what practical steps can we take to meet this problem? I will not even suggest to you that there is any simple answer to this question. For obviously there can be none. But I do believe there is a significant step we can take toward finding an answer.

We should take the initiative in urging that in future agreements provisions be included to the effect: (1) that disputes which may arise as to the interpretation of the agreement should be submitted to the International Court of Justice at The Hague; and (2) that the nations signing the agreement should be bound by the decision of the Court in such cases.

Such provisions will, of course, still leave us with many formidable questions involving our relationships with the Communist nations in those cases where they ignore an agreement completely apart from its interpretation. But I believe this would be a major step forward in developing a rule of law for the settlement of political disputes between nations and in the direction all free men

hope to pursue. If there is no provision for settling disputes as to what an international agreement means and one nation is acting in bad faith, the agreement has relatively little significance. In the absence of such a provision an agreement can be flagrantly nullified by a nation acting in bad faith whenever it determines it is convenient to do so.

While this proposal has not yet been adopted as the official United States position, I have discussed it at length with Attorney General Rogers and with officials of the State Department and on the basis of these discussions I am convinced that it has merit and should be given serious consideration in the future.

The International Court of Justice is not a Western instrumentality. It is a duly constituted body under the United Nations Charter and has been recognized and established by the Soviet Union along with the other signatories to the charter. There is no valid reason why the Soviets should not be willing to join with the nations of the free world in taking this step in the direction of submitting differences with regard to interpretation of agreements between nations to a duly established international court and thereby further the day when the rule of law will become a reality in the relations between nations.

And, on our part, as Secretary Dulles said in his speech before the New York State Bar Association on January 31:⁵

Those nations which do have common standards should, by their conduct and example, advance the rule of law by submitting their disputes to the International Court of Justice, or to some other international tribunal upon which they can agree.

We should be prepared to show the world by our example that the rule of law, even in the most trying circumstances, is the one system which all free men of good will must support.

In this connection it should be noted that at the present time in our own country our system of law and justice has come under special scrutiny, as it often has before in periods when we have been engaged in working out basic social relationships through due process of law. It is certainly proper for any of us to disagree with an opinion of a court or courts. But all Americans owe it to the most fundamental propositions of our way of life to take the greatest care in making certain

⁴ For text, see *ibid.*, Aug. 1, 1955, p. 176.

⁵ *Ibid.*, Feb. 23, 1959, p. 255.

that our criticisms of court decisions do not become attacks on the institution of the court itself.

Making Peaceful Competition Possible

Mr. Khrushchev has proclaimed time and again that he and his associates in the Kremlin, to say nothing of the Soviet peoples, desire only a fair competition to test which system, communism or free capitalism, can better meet the legitimate aspirations of mankind for a rising standard of living.

Perhaps it is significant that the leaders of the free world do not feel obliged to so proclaim so often. The world knows that this is the only kind of competition which the free nations desire. It is axiomatic that free people do not go to war except in defense of freedom. So obviously we welcome this kind of talk from Mr. Khrushchev. We welcome a peaceful competition with the Communists to determine who can do the most for mankind.

Mr. Khrushchev also knows, as we do, that a competition is not likely to remain peaceful unless both sides understand the rules and are willing to have them fairly enforced by an impartial umpire. He has pointedly reminded the world that Soviet troops are not in Germany to play skittles. The free peoples passionately wish that Mr. Khrushchev's troops, as well as their own, could find it possible to play more skittles and less atomic war games. But we remind him that his troops could not even play skittles without rules of the game.

If the Soviets mean this talk of peaceful competition, then they have nothing to fear from the impartial rules impartially judged which will make such peaceful competition possible.

The Soviet leaders claim to be acutely aware of the lessons of history. They are constantly quoting the past to prove their contention that communism is the wave of the future. May I call to their attention one striking conclusion that is found in every page of recorded history. It is this: The advance of civilization, the growth of culture, and the perfection of all the finest qualities of mankind have all been accompanied by respect for law and justice and by the constant growth of the use of law in place of force.

The barbarian, the outlaw, the bandit are symbols of a civilization that is either primitive or decadent. As men grow in wisdom they recognize that might does not make right, that true lib-

erty is freedom under law, and that the arrogance of power is a pitiful substitute for justice and equity.

Hence once again we say to those in the Kremlin who boast of the superiority of their system: Let us compete in peace, and let our course of action be such that the choice we offer uncommitted peoples is not a choice between progress and reaction, between high civilization and a return to barbarism, between the rule of law and the rule of force.

In a context of justice, of concern for the millions of men and women who yearn for peace, of a constant striving to bring the wealth abounding in this earth to those who today languish in hunger and want—in such a context, competition between the Communist world and the free world would indeed be meaningful. Then we could say without hesitation, let the stronger system win, knowing that both systems would be moving in a direction of a world of peace, with increasing material prosperity serving as a foundation for a flowering of the human spirit.

We could then put aside the hatred and distrust of the past and work for a better world. Our goal will be peace. Our instrument for achieving peace will be law and justice. Our hope will be that, under these conditions, the vast energies now devoted to weapons of war will instead be used to clothe, house, and feed the entire world. This is the only goal worthy of our aspirations. Competing in this way, nobody will lose and mankind will gain.

17th Anniversary of Bataan

Following is the text of a message sent on April 8 by President Eisenhower to President Carlos P. García of the Republic of the Philippines on the occasion of Bataan Day, April 9.

White House (Augusta, Ga.) press release dated April 8

On the seventeenth Anniversary of Bataan, a campaign of heroic memory, I extend best wishes to you and to the people of the Philippines on behalf of the people of the United States.

The bonds of brotherhood forged in the gallant defense of Bataan and Corregidor are part of the tradition which unites our two countries. Our continuing effort to defend and encourage the growth of democratic institutions throughout the world is a corollary of this tradition. In this

campaign, we will together press on to win the victory: Peace with honor and progress for mankind.

It is a privilege to join you in commemorating the indomitable spirit of Bataan.

DWIGHT D. EISENHOWER

The Problem of Berlin and Germany

by Deputy Under Secretary Murphy¹

The field of American foreign policy interest today is vast. Those of us who have been dealing for a period of years with the day-to-day developments in our international relations are perhaps more conscious than others of the responsibilities attaching to a great power position in the world. We find today that the developments in our own Western Hemisphere alone provide for more activity than formerly engaged our State Department on a worldwide basis. New nationalism and a surge of pent-up emotion for freedoms and higher living standards are sweeping the huge continent of Africa. That storehouse of natural resources and manpower provides a stadium for political evolution and economic progress on a tremendous scale and at a tremendous tempo. The Middle East—the Fertile Crescent—with its proven oil deposits, which in the Iraqi-Kuwait area alone are four times those of the United States, is in a state of active political fermentation. It is precisely in that critical area we are witnessing a drive by international communism to dominate by the use of the classic methods of penetration and subversion. We are glad that at least one source of tension in that area has been eliminated by the happy solution of the Cyprus question which was brought about by the statesmanlike action of our allies in NATO.

The Governments of Greece, Turkey, and the United Kingdom deserve the congratulations of all the free world for the statesmanlike cooperation they have demonstrated in reaching a solution to this most complex and difficult problem.

¹ Address made at the Notre Dame Club of Chicago at Chicago, Ill., on Apr. 13 (press release 264).

They deserve particular credit because their achievement was brought about by the voluntary efforts of those directly concerned, without pressure or direction from outside.

The Cypriot people themselves are now beginning work on the next task, that of translating into practical detail the provisions of the London agreement in preparation for the establishment of the new Republic of Cyprus. Certainly all Americans wish success to the people of Cyprus in their effort to create a new state, based on the cooperation of different ethnic communities and born out of the understanding and mutual friendship of Greece, Turkey, and the United Kingdom.

In the Far East the shadow of an aggressive Red China regime lies across the road of Asiatic progress and darkens the prospect of prosperity in freedom in many areas. We are at the moment witnesses of a further aggression against a peaceful people, the brave millions of Tibet, temporary victims of suppression by those ambitious leaders in Peiping whose revolutionary devotion to extreme Marxism is both the envy and the concern of the more sophisticated party leadership in Moscow. Thus the souvenir of Hungary is evoked in the heart of Asia. That this forward thrust of naked military power is the source of anxiety to peripheral countries in Asia would be obvious to all.

But tonight with the *carte blanche* I have been so kindly accorded, I thought I would take advantage of your patience to discuss one of the immediate problems facing your Government today in Europe, that is, the problem of Berlin and Germany. As things go today Berlin is really

not far away from South Bend and Chicago. It is always possible that events could bring it even closer. And I think that every one of you Notre Dame alumni should have a clear-cut understanding of the issues which are involved in this particular problem. We naturally hope for its peaceful and happy solution, but should our hopes be disappointed the problem could take on grave proportions which inevitably could affect all Notre Dame alumni.

Issues Involved in German Problem

It still seems strange to some of us who have dealt with German problems in the past to be involved today, just 10 years later, in a similar critical situation which was very much on the front page during the Berlin blockade of 1948 and the famous airlift. That difficult and expensive incident resulted in the Paris agreement of 1949² and confirmed Western rights of access to and presence in the city of Berlin.

What are those rights and why should we bother maintaining them? As many of you who served in the armed forces in Germany at the end of World War II realize, those rights were earned and were by no means a gift from the Soviet Union. Allied forces and especially American forces overran large portions of East Germany. They evacuated that important territorial conquest in favor of the Soviet Union within the context of political agreements entered into during the war, especially the agreement of London in 1944.³

I know that it is rarely a profitable undertaking to look back over one's shoulder and inventory mistakes of the past. It is especially easy to suggest that before entering into political decisions about Germany during World War II we should have waited until our troops stopped advancing. Then after the defeat of Germany we should have concluded whatever agreements we found suitable with the Soviet Union. No doubt that would have been a profitable line of policy. If we had pursued it I do not doubt that the Western Allies would have captured the city of Berlin in addition to the East German territory which we did occupy and in that case the present crisis over Berlin could not have arisen.

It is necessary, however, to regard events of that period within the climate of the times. There was a school of thought in the hard war days of 1943 which feared that Allied forces would not succeed in moving east across the Rhine. They believed that Russian forces might first seize the Rhine and thus occupy all of Germany. Therefore for them a prior agreement which limited the Russian westward advance to the Elbe seemed a diplomatic achievement. It assured the Western Powers that the industry of the Ruhr and West Germany would not fall to the Russians. Looking back I suppose we could say we were sold short. At any rate having captured a large portion of East Germany our forces were obliged because of the wartime political agreements to evacuate. There were some who at the time urged that our troops not evacuate the large areas of East Germany the United States forces occupied. Our Government felt it had made an agreement, and it honored that agreement. Actually, the Soviet Union, whose forces had captured all of the city of Berlin, would not agree to our occupation of West Berlin until our forces had been evacuated from East Germany.

Then in 1945 we entered into another agreement with the Soviet Union at Potsdam.⁴ The philosophy of that agreement contemplated the political and economic unity of Germany as a whole, a democratic Germany based on free elections and removed from the taint of nazism. I am still curious to know why Marshal Stalin at Potsdam ever agreed to that text because thereafter Soviet authorities made little or no pretense of carrying out its provisions. It is obvious that the Soviet objective after Potsdam was the domination of all of Germany and that their thinking was reflected in the expression of Mr. Molotov at the time "as goes Germany, so goes Europe." The United States and its Allies faithfully endeavored to fulfill the obligations of the Potsdam agreement, which in itself is an estimable document.

Berlin—Experiment in Western-Soviet Cooperation

Berlin became a postwar proving ground for East-West cooperation. The experiment was not a success. It was of course adversely affected by a Soviet theory, no doubt due to the Soviet extreme need resulting from damage to the Soviet

² For text, see BULLETIN of July 4, 1949, p. 857.

³ For background on the meetings of the European Advisory Commission at London in 1944, see *ibid.*, Jan. 5, 1959, p. 5.

⁴ *Ibid.*, Aug. 5, 1945, p. 153.

economy in World War II, that the United States should finance reparations from Germany and that the threadbare and damaged industrial plant of that country would be harnessed for the payment to the Soviet Union of billions and billions of reparations. It soon became obvious that politically the Soviet objective was the installation in all of Germany of their form of democracy, which revolves around a single-party system controlled by the party apparatus at Moscow.

As their policies, notwithstanding our efforts to cooperate, did not seem to offer a brilliant future either for the German people or the Western Allies, the decision was taken by the Western Allies in 1947 to permit the Germans to establish a truly democratic and representative form of independent government for West Germany. All efforts to achieve this result for the entire German community had foundered on the rock of Soviet determination to stamp upon the German people their special brand of controlled single-party counterfeit democracy. Germany was to have only a restricted form of sovereignty for the indefinite future. The able leadership in West Germany with Western support and cooperation since 1947 achieved results in the political and economic fields far exceeding the most optimistic estimates of the experts at the time.

The contrast between the extraordinary social progress of postwar West Germany and the horse-and-buggy progress in East Germany—the drab and unwieldy economy of that area, the distrust and fear which have prevailed—is one of the great dramas of our day. It constitutes a crown of thorns for the Soviet geopoliticians. Mr. Mikoyan employs all the honeyed words an intelligent Armenian is capable of in describing the improving living conditions in East Germany and its rosy future in the “Socialist” camp. It is still not attractive enough to prevent thousands of East Germans every month from seeking refuge in West Germany. This applies especially to professional elements and the intelligentsia. As many as 200 doctors, for example, recently fled East Germany in a single month. When Mr. Mikoyan speaks of Soviet apprehension over West German intention to engulf East Germany, what he in fact means is that the Soviet Union has failed utterly to win over the East German population. He is concerned that a wave of public and international sentiment might reunite the German people.

For some reason which is still shrouded in mystery—perhaps a desire to consolidate the Soviet empire and promote continual struggle with the non-Communist world—Chairman Nikita Khrushchev of the Soviet Council of Ministers last November 10 saw fit to announce that based on its rights under the Potsdam agreement the Soviet Union would by May 27, 1959, abandon its occupation rights in Berlin. It would transfer them to the straw government which it permits to function under wraps in East Germany. Some days later his lawyers evidently caught up with Mr. Khrushchev, who sent us a note on November 27⁵ omitting reference to the Potsdam agreement and referring instead, this time correctly, to the London agreement of 1944. That is the agreement which established the present four-power occupation of the city of Berlin. He announced in effect that within 6 months the Western Powers would be obliged on matters of access to and occupation of West Berlin to deal with the East German representatives of a so-called “German Democratic Government” which we do not recognize. We do not recognize it because it does not represent the freely expressed wishes of the East German population and it is not by the wildest stretch of the imagination an independent government. We do not recognize it because our ally, the German Federal Republic, is convinced, as we are, that to do so would perpetuate the division of Germany.

Thus the Soviet leadership now proposes to go a step further in the division of Germany by suggesting that Berlin be abandoned by the West, the 2 million courageous West Berliners left to the tender care of the disciples of Marxism-Leninism. Mr. Khrushchev would set up Berlin as a “free city.” As far as can be ascertained, that would mean free from Western influence and protection. Thus we would have three Germanies instead of two.

Now this raises an interesting point. By insisting on our rights of occupation, which really rest on the conquest of Germany, Mr. Khrushchev seeks to place us in an unfavorable light. Occupying armies are never popular. People grow weary of the sight of foreign uniforms. In provoking the issue of Berlin Mr. Khrushchev undoubtedly

⁵ For an exchange of messages between President Eisenhower and Premier Khrushchev, see *ibid.*, Jan. 19, 1959, p. 79.

intends to cause the Western powers the maximum of embarrassment. He knows that our legal case rests on military occupation, and he seeks to enhance the Soviet position in the eyes of Germans by proposing a new arrangement which would give Berlin a pseudoindependence removed from Western influence and sunk in the mire of the imposed "socialism" of the surrounding area.

But we do not rest our presence in Berlin on legal technicalities alone. If the citizens of West Berlin were opposed to the presence of Western forces, including our own, the position would be fairly untenable no matter how solid the legal position. We know that this occupation is urgently desired by the people. We know it because of popular manifestations in many forms such as the municipal elections last fall. If we believed we were unwelcome we would be the first to want to leave, and the Berliners know it.

When Mr. Mikoyan visited us on vacation he spent some time on business and handed us an aide memoire⁶ stating that the Soviet Union proposed convening a peace conference within 60 days from that date, January 10, to conclude a peace treaty with East Germany. That project seems to have withered on the vine. It aroused little enthusiasm anywhere.

The term of 6 months rather lightheartedly flung out by Mr. Khrushchev will expire on May 27. We have since been assured by Mr. Mikoyan and others that regardless of the stiff language this was never intended as an ultimatum. I believe that is true. Mr. Mikoyan stated repeatedly these were just proposals for negotiation and they wanted proposals from us. They know us well enough by now to understand that we do not negotiate under threat of ultimatum.

Negotiations as a Method of Solution

In the German problem as in others it is clear that what is past is prologue. We are on the eve of a series of international conferences⁷ which I believe we should welcome as an opportunity to achieve results we want rather than fear entailing a risk of war. I start from the premise that the

⁶ Not printed (similar in substance to the Soviet note of Jan. 10, for which see *ibid.*, Mar. 9, 1959, p. 333).

⁷ For an exchange of notes between the United States and the Soviet Union in which the United States proposes the time and place for a meeting of Western and Soviet foreign ministers, see *ibid.*, Apr. 13, 1959, p. 507.

Soviet leadership does not want war, and we know that we do not want it. I just don't believe that an all-out nuclear war is going to happen by sheer accident. Therefore we do not approach these negotiations weighed down by fear and apprehension of ultimate destruction. We have not provoked the issue. We will negotiate on the merits. We will not run away.

We all remember the Austrian treaty, which for years was the cause of despair that Austrian independence and relief from occupation would ever be achieved. Yet after 264 meetings and a lapse of years the clouds lifted and Austrian independence is a fact. I mention this because it has become fashionable among some commentators to assert that reunification of Germany is just not in the cards. Nobody wants it, not even the Germans, it is said. Mr. Khrushchev has said that he knows that 50 million Germans are against the Soviet Union now and he does not propose to add an additional 17 millions. Perhaps I am with a tiny minority in having faith that the German people themselves are determined—patiently, grimly, and courageously—to unite. Who can say that the forthcoming negotiations may not bring them a step closer to that goal within the framework of a more secure Europe?

Whatever other reasons the Soviet leadership may have had for provoking the issue of Berlin last November, it would seem fairly obvious that their purpose was to confirm the *status quo* in Eastern Europe. Their anxiety in this regard is understandable. They know that millions of Europeans are uneasy, restless, and unhappy in the bondage of the "Socialist" camp. The Soviet mania for security in depth is a bogey which leads them into political adventures. It paralyzes their ability to let go of territory once they have it within their grasp. But human beings are not chattels. Sooner or later the intelligence and skill of the people find a way. At least we can try in these negotiations to develop a climate in which the Soviet chieftains could be exposed to the notion that it is not necessary to hold millions of East Europeans in subjection for security reasons as a protection against the West. Just the other day an editor of the Moscow newspaper *Izvestia* wrote that a more democratic press in the Soviet Union would give a better insight into the desires and necessities of the people and urged his fellow editors to ease up on their blue pencils.

This is a good sign. We look forward to the day when the Soviet people themselves will be relieved of that gross fiction of Western imperialism which results from deliberate misrepresentation on the Soviet internal propaganda front.

U.S. Rejects Soviet Curb on Flights in Berlin Air Corridor

Following is an exchange of notes between the United States and the Soviet Union.

U.S. NOTE OF APRIL 13¹

Press release 265 dated April 13

The Embassy of the United States of America has been instructed to reply as follows to the note of the Ministry of Foreign Affairs of the Union of Soviet Socialist Republics, No. 25/OSA, dated April 4, 1959 protesting the routine flight of a United States aircraft in the Frankfurt-Berlin air corridor on March 27.

The United States Government rejects the Soviet contention that flights above 10,000 feet are precluded by regulations covering flights in the corridors, and that the flight of the C-130 aircraft in question, duly notified to the Soviet Element in accordance with established practice, constituted a violation of presently existing rules. As stated in letters of June 6 and September 8, 1958² from the United States representative to the Soviet representative in the quadripartite Berlin Air Safety Center, flights by aircraft of the United States do not require any prior agreement from the Soviet Element, and the United States never has recognized and does not recognize any limitation to the right to fly at any altitude in the corridors. As has been previously pointed out, the altitude at which aircraft fly is determined in accordance with the meteorological conditions prevailing at the time and the operational characteristics of the aircraft. The Government of the Soviet Union, having itself put into service aircraft (such as the TU-104) technical characteristics of which require flight at higher altitudes than those formerly in use, will appreciate the

influence of such factors on operating altitudes of United States aircraft. While for some time to come the majority of corridor flights will, under normal circumstances, be made below 10,000 feet, whenever weather or the operational characteristics of equipment require, additional flights at higher altitudes will be undertaken. There can be no doubt that improved air navigational facilities and procedures provide adequate safety for such flights.

The flight by Soviet aircraft in dangerous proximity to the United States C-130 on March 27, as witnessed by thousands of persons in the Berlin area, constituted not only a serious violation of the flight regulations that obtain in the air corridors and the Berlin Control Zone but intentionally created the very hazard to flight safety about which the Soviet representatives have professed concern.

The United States Government fully appreciates the importance of safety of flight through the corridors and acknowledges that its maintenance is a matter of mutual interest to the Soviet authorities in Germany. The conditions of flight safety can be met if the latter will act in accordance with established procedures and separate their aircraft from Western flights notified to them. Although the right of United States aircraft to fly in the corridors to Berlin does not depend upon advance notice to or permission of the Soviet Element, the flight plan of the C-130 in question was passed to the Soviet Element in the Berlin Air Safety Center sufficiently in advance to provide ample time to notify aircraft likely to be in the vicinity as the C-130 passed through.

Further, the suggestion that the Government of the United States of America is seeking to complicate the carrying out of the agreement which has been reached on holding a Foreign Ministers' Conference is not consonant with the facts of the situation.

On the contrary, it is the Soviet Union which is creating doubt as to its intentions by attempting unilaterally to assert a "right", never recognized by the Western Powers, to forbid flights to Allied aircraft at altitudes above 10,000 feet and by permitting Soviet fighter aircraft to harass United States aircraft in a way dangerous to their safety and to the lives of their crews.

The United States expects the Soviet Govern-

¹ Delivered to the Soviet Ministry of Foreign Affairs by the American Embassy at Moscow on Apr. 13.

² Not printed here.

ment promptly to issue instructions to its personnel in Germany to ensure fulfillment of their responsibility for flight safety in the air corridors to Berlin.

SOVIET NOTE OF APRIL 4

Unofficial translation
No. 25/OSA

The Ministry of Foreign Affairs of the Union of Soviet Socialist Republics on the instruction of the Soviet Government deems it necessary to bring the following to the notice of the Government of the United States of America.

On March 27 a C-130 type American transport plane, going from West Germany to Berlin along the air corridor lying over the territory of the German Democratic Republic, rose to a height of 7,000 meters, which is a crude violation of the existing procedure of flights along this route. The demonstrative character of this violation is evident from the very fact that the American representative in the Berlin Air Safety Center, which regulates flights of foreign airplanes between Berlin and the Federal Republic of Germany, was informed in good time by the Soviet side about the inadmissibility of the flight of the said plane at a height of more than 3,050 meters, which is the maximum for flights of the Western powers using the air corridors. Moreover, this same airplane, completing on the same day a return trip from Berlin to West Germany, again flew at a height twice exceeding the usual ceiling of flights in the air corridors, although a protest was made by the official Soviet representative to the U.S. representative against the violation of flight rules which had taken place.

One cannot help noting that the violations by American planes of the existing procedure and established practice of flights over the territory of the German Democratic Republic are undertaken at that moment when agreement has been reached concerning the carrying out soon of negotiations between East and West on the question of Berlin and other questions having prime significance for the cause of peace. All this is taking place after the U.S. Government through its Ambassador in Moscow declared at the time of the transmittal of the note on the question of the planned negotiations that in its opinion unilateral actions of any Government in the period of preparation for the forthcoming conferences will hardly help their successful outcome.³ Analogous statements were made also by the Governments of other powers which are allies of the United States of America in NATO. It would seem that after such statements the Government of the United States of America ought also to have acted accordingly by avoiding everything that could complicate the effectuation of the understanding about the carrying out of the conferences.

³ Statement made by Ambassador Llewellyn Thompson at the time of delivery of the U.S. note of Mar. 26 regarding the foreign ministers meeting on the problem of Germany. For text of note, see BULLETIN of Apr. 13, 1959, p. 507.

In the light of these facts the premeditated violations by American planes of the existing procedure of air communications with Berlin is difficult to evaluate otherwise than as an effort by the U.S. to worsen conditions for the meeting of Ministers of Foreign Affairs, if not in general to torpedo the understanding attained about the carrying out of negotiations between East and West.

As for the Soviet Union, for its part not only will nothing be permitted which could worsen the situation on the eve of negotiations, but everything is being done to facilitate the conduct of these negotiations. It goes without saying that the Soviet Government has the firm intention right up to these negotiations to adhere to the existing procedure and established practice of communications along the lines of communication between Berlin and West Germany.

In calling the attention of the U.S. Government to the dangerous character of the actions of the American authorities in Germany, the Soviet Government would like to emphasize that the U.S. Government will bear all responsibility for the violation of the conditions of safety of air flights in the airspace of the German Democratic Republic and the possible complications connected with this.

The Soviet Government expresses the hope that the U.S. Government will adopt measures which would exclude the possibility of complications of this type and will for its part facilitate creation of a favorable atmosphere for the conduct of negotiations between East and West on urgent international questions, the solution of which is being awaited by the peoples who are vitally interested in the preservation and strengthening of peace.

U.S. and U.S.S.R. Agree on Exchange of Performing Artists

Press release 267 dated April 16

Department Announcement

The Department of State announced on April 16 the signing that day at Washington of an agreement with the Soviet Government for an exchange of performing artists in connection with the national exhibitions which are to be held in Moscow and New York during the summer of 1959, as part of the program of exchanges between the United States and the Soviet Union provided for in the U.S.-U.S.S.R. exchange agreement of January 27, 1958.¹

N. N. Danilov, Deputy Minister of Culture, head of the Soviet cultural delegation now in this country, signed for the Soviet side, and Frederick

¹ For text of agreement of Jan. 27, 1958, see BULLETIN of Feb. 17, 1958, p. 243; for text of agreement on exchange of exhibitions, see *ibid.*, Jan. 26, 1959, p. 132.

T. Merrill, director of the East-West Contacts Staff, signed for the Department of State.

Text of Agreement

AGREEMENT BETWEEN THE UNITED STATES AND THE UNION OF SOVIET SOCIALIST REPUBLICS FOR EXCHANGE OF PERFORMING ARTISTS IN CONNECTION WITH NATIONAL EXHIBITIONS

In order to develop further mutual cultural exchanges as a means of understanding between the two countries and in reference to paragraph 14 of the Agreement between the United States and the All-Union Chamber of Commerce of the Union of Soviet Socialist Republics, relating to a reciprocal exchange of national exhibitions during the summer of 1959, the following is agreed in principle:

During the summer of 1959, the performing attractions named below will be exchanged in connection with the Soviet and American national exhibits to be held at the Coliseum in New York, and at Sokolniki Park in Moscow. The performances will take place in Moscow and New York respectively at approximately the time when the respective national exhibits are open.

a) The Soviet side will send to New York a Concert Group including the Pyatnitsky Choir for a period of four to eight weeks.

b) The United States side will send to Moscow the New York Philharmonic Orchestra for a period of three weeks and a Variety Show for four weeks.

Heads of European Communities To Visit Washington

Press release 266 dated April 16

The Acting Secretary of State, Christian A. Herter, has extended invitations to the presidents of the Commissions of the European Economic Community (EEC) and the European Atomic Energy Community (EURATOM), and the president of the High Authority of the European Coal and Steel Community (ECSC) for a 3-day official visit to Washington.

These three presidents are the chief executives of the European communities established by France, the Federal Republic of Germany, Italy, the Netherlands, Belgium, and Luxembourg to integrate their economies. The European communities thus comprise a single movement having as their common objectives the creation of greater strength, economic well-being, and unity among the six member states.

The three European executives are: Walter Hallstein of Germany, president of the EEC

(Common Market) Commission; Etienne Hirsch of France, president of the EURATOM Commission; and Paul Finet of Belgium, president of the ECSC High Authority. The visit will take place on June 9, 10, and 11, 1959.

U.S. Ambassadors in Caribbean Area Meet To Exchange Views

DEPARTMENT ANNOUNCEMENT

Press release 248 dated April 6

A conference of the U.S. Ambassadors in 12 countries of the Caribbean area will be held at San Salvador, El Salvador, from April 9 to 11. Ambassadors from U.S. missions in Colombia, Costa Rica, Cuba, the Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, and Venezuela will attend.

Officials of the Department of State attending the conference will be headed by Loy W. Henderson, Deputy Under Secretary for Administration, and will include Roy R. Rubottom, Jr., Assistant Secretary for Inter-American Affairs, and Ambassador John C. Dreier, U.S. Representative on the Council of the Organization of American States.

The meeting will provide an opportunity for an exchange of views on current political and economic developments in the area in their relation to U.S. policy.

STATEMENT RELEASED AT CONCLUSION OF CONFERENCE

Press release 263 dated April 13

United States Ambassadors to the countries of the Caribbean and Central America area met in San Salvador on April 9-11, 1959, in one of the series of regional conferences of United States Chiefs of Mission, which are designed to assist the Department of State in formulating and carrying out its policies with a full appreciation of the problems and aspirations which the United States shares with the other nations of the free world. Similar conferences are being held this year in several other areas of the world.

The Department was represented by the Honor-

able Loy W. Henderson, Deputy Under Secretary of State; the Honorable Roy R. Rubottom, Jr., Assistant Secretary of State for Inter-American Affairs; and other officials concerned with Latin American affairs. The Chiefs of Mission attending were the United States Ambassadors to Colombia, Costa Rica, Cuba, the Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama and Venezuela. The conference devoted the major part of its attention to a review of United States relations with the foregoing countries; and the participants, drawing upon their knowledge of the area and on their personal experience, advanced a number of practical suggestions for the consideration of the Department. Attention centered on the role of the United States, both through bilateral channels and as a member of the Organization of American States, in cooperating with other peoples of the area for the better achievement of commonly shared goals of peace with justice and political and economic progress. The peoples of the Western Hemisphere during recent years have been moving steadily toward a more effective exercise of representative democracy and respect for basic human rights within the principles of the OAS. The participants in the conference expressed the belief that the peoples of the Americas could take just pride in these developments, which are taking place at a time when much of the rest of the world is being subjected to the ruthless dictatorship of Communist totalitarianism, as events in Hungary and Tibet vividly illustrate.

There was discussion of widely publicized reports of activities in various countries directed at the overthrow of the governments of other countries in violation of the charter of the OAS and other inter-American agreements. The conference observed that such reports are highly disturbing to the atmosphere of mutual trust essential to the continued cooperation and progress of the nations of this hemisphere and recommended to the Department that serious consideration be given to how the OAS might be helpful in restoring a more tranquil atmosphere in the Caribbean area.

The participants expressed their confidence that the United States would continue to cooperate closely with the other member states to support the objectives of the OAS in maintaining the peace and security of the area and in assuring to

each country the right to develop its political life free from outside intervention.

Consideration was given to the economic problems of the Caribbean and Central America. It was recognized the development of sound and diversified economies and the steady rise of living standards would be of mutual benefit to the peoples of this area and to the people of the United States.

There was a discussion of a report presented on progress in economic matters made by the American Republics in preparation for the April 27 meeting of the OAS's "Committee of 21" in Buenos Aires where "Operation Pan America" will be carried forward another step. The conference noted the signing of the charter of the Inter-American Development Bank¹ as well as of the recent increase in the capitalization of the Export-Import Bank and that proposed for the World Bank and International Monetary Fund. The conference endorsed this cooperative approach to Western Hemisphere economic problems and expressed the belief that the additional public funds made available through these institutions will effectively complement domestic and foreign private capital in accelerating the economic development of the Caribbean and Central American area.

Discussions were held concerning the progress of Latin America, and particularly in Central America, toward the establishment of regional markets. It was noted that such markets could spur economic development and diversify economies. In this latter connection attention was given to the intention of the Government of the United States to assist financially, through appropriate agencies and in suitable conditions, the establishment of sound industries, with a view to promoting regional markets through public and private investment. Major attention was devoted to efforts now being made to achieve more stable markets for basic products of the area and as to how the peaks and valleys in the economies of the area might be eliminated. The group strongly endorsed the decision of the United States to participate in bilateral and multilateral consultations designed to attain this objective.

The conference examined the problems arising from the intensified efforts of international communism to break down the bonds which have united the peoples of the Western Hemisphere

¹ See p. 646.

and to disrupt the progress toward economic well-being and representative government in the Americas. It took particular note of the fact that, while the governments and peoples of the American Republics were engaged in renewed efforts to find cooperative solutions to American economic and political problems, the leaders of at least 19 of the Communist parties of the hemisphere met in Moscow after attending the 21st Congress of the Soviet Communist Party to confer on strategy and tactics to foster divisions and tensions among the American governments and peoples.

Finally, the participating officials took pleasure in conveying their appreciation to the Government and people of El Salvador for the cordial hospitality extended to them, which contributed so greatly both to facilitate their work and to make their stay in San Salvador so pleasant.

Wise Distribution of U.S. Food Surpluses in Latin America

*by John M. Cabot
Ambassador to Colombia¹*

All men were created equal in needing food. All men do not need and all men do not get the same amount of food or indeed, in many cases, what they need. Some eat too much; many more cannot get enough even to work efficiently. Far too many are hungry.

We are fortunate in the United States in having a surplus of food. Most of us here are of course taxpayers, and the \$9 billion worth of food stored under our agricultural stabilization programs is a burden on our pocketbooks. But we have not abandoned our farmers to their economic fate, whatever it might be; and our agricultural measures have helped us to provide, for our friends and allies such as Colombia, the food which their people needed and did not have. With our surplus food we have saved many from starvation, and we have helped many more to save themselves from the spiritual starvation of totalitarian tyranny.

Tyrants can indeed feed their people on propa-

ganda. It does not matter to them if their people starve, if, indeed, they take food from the hungry to export and thereby obtain foreign exchange. They herd them into communes for the glorification of the state and the abasement of the individual. Notably, all of the great modern tyrannies have thought of guns rather than butter. It matters not to them if millions starve while a 5-year plan is achieved and progress is made toward subjugating new peoples to their yoke. If they achieve statistical results, what does the cry of a hungry child mean to them?

It is difficult for a half-starved man to fight for freedom. Indeed as we accumulate agricultural surpluses we should remember that a great majority of humanity is more likely to wonder where its next meal is coming from than about its freedom. If the cold war is a struggle between two ways of life, what better demonstration can we give of ours than by showing that free men eat better than totalitarian slaves?

In democracies the people decide what is to be done. We insist that the people receive the necessities of life. The food which we produce will not only make the free man a more efficient worker; it will strengthen us physically and spiritually to resist those who announce frankly that they will bury us. Sometimes we forget that they mean just that, as regards both our bodies and our souls.

Many of the people even in the free world are still hungry, despite everything that we are doing to feed them. The problem is not simply one of distributing the surpluses we have in the United States to correct deficiencies elsewhere. Great as our stocks and production capacity are in the United States, they are not remotely sufficient to fill present and future needs. We do, indeed, need to dispose of burdensome surpluses. Far greater, however, is the need to help other friendly countries produce themselves what they need. There will be cases in which this will hurt our national production. Nevertheless, it would not help the free world if we disposed of our food at the cost of discouraging adequate food production in the nations to which we exported it, or of injuring the legitimate markets of other friendly countries.

We must remember that a wise distribution of our surpluses is likely in the long run to increase both production and consumption in other lands. If in some cases this means that our exports will decrease, experience has shown that in

¹ Remarks made before the Market Development Conference of the Foreign Agricultural Service of the U.S. Department of Agriculture at Bogotá, Colombia, on Apr. 1.

many other cases increasing demand will outstrip increasing domestic supply. We should be happy in a prospering market if the absolute amount of our agricultural exports increases even though percentage in our share of the market drops.

You are here primarily to discuss expanding the markets for our agricultural products. I believe you will succeed primarily insofar as your efforts promote prosperous markets in this area. Latin America now buys as much commercially from the United States as it can finance by selling its products to the United States. We have seen in Colombia the disastrous results of buying more than can be sold and also how much can be bought if much is sold. With more mouths to feed, with more hands to work, with greater prosperity and a will to prosperity in Latin America, there should be an ample market here for all that we have to sell, provided they can buy. We can stimulate demand and, incidentally, individual well-being in Latin America by judicious schemes for promoting the sales of our agricultural surpluses among our fellow Americans in our sister republics. But the thought I would leave with you is that their prosperity and our prosperity are inextricably linked; that if they feel themselves better off we are likely to find ourselves better off; that our food can not only satisfy their hunger, it can help to keep them and us free.

It is in this spirit that I take the greatest pleasure in welcoming you here today. We are honored by the presence of a distinguished group of Senators and Representatives from our Congress. I am sure your deliberations will be fruitful not only in solving immediate problems but also in facing the fundamental issues which today confront free men everywhere.

Visit of President of Mexico Postponed Until Autumn

White House (Augusta, Ga.) press release dated April 15

President Eisenhower and the President of Mexico have agreed that the visit of the Mexican President to the United States should take place during the coming autumn.

At the time that the President of Mexico, Adolfo Lopez Mateos, accepted President Eisenhower's invitation, it was tentatively agreed that the visit would take place during the spring of

this year, though the exact date and place would be determined through diplomatic channels. As a result of an exchange of views between the two Governments, the Presidents have now agreed that the visit will be postponed to the autumn of this year.

U.S. Investment Guarantee Program Extended to Sudan and Tunisia

Press release 268 dated April 16

The Department of State announced on April 16 that the U.S. Government's investment guarantee program for new private U.S. investments abroad is now available for investments in two additional countries, Sudan and Tunisia. The program, which is administered by the International Cooperation Administration as a part of the U.S. mutual security program, has been made applicable to investments in these two countries by the formal exchange of notes between the Government of the United States and the respective Governments of Sudan and Tunisia.

Both agreements emphasize the U.S. policy of encouraging new investments of private capital abroad, particularly in the newly developing countries. They also reflect the policies of the Governments of Sudan and Tunisia in encouraging the investment of private capital in developmental projects within their countries.

Under the agreements with Sudan and Tunisia, the United States now offers three types of guarantees for U.S. investments in the two countries: (1) guarantee that local currency receipts from investments in either country will remain convertible into dollars; (2) guarantee against losses from expropriation; and (3) guarantee against losses due to war damage. The U.S. Government guarantees are now available for new U.S. investments of capital goods, services, patents, and loans which are approved for purposes of ICA guarantee by the respective governments. For this insurance the U.S. investor will pay a premium of one-half of 1 percent per annum for each of the three types of insurance.

With the addition of Sudan and Tunisia the U.S. investment guarantee program is now available for new private investments in 40 countries. As of March 31 a total of \$412 million in ICA

guarantees had been issued for projects in countries already participating in the program, and applications pending in ICA exceed \$1 billion at the present time.

Inquiries and applications for ICA guarantees should be addressed to the Investment Guaranties Staff, International Cooperation Administration, Washington 25, D.C.

THE CONGRESS

The Development Loan Fund: An Investment in Peace and Progress

*Statement by Under Secretary Dillon*¹

I appear before you today [March 24] both as Coordinator of the Mutual Security Program and as Chairman of the Board of Directors of the Development Loan Fund. My purpose is to present the executive branch proposals for legislation affecting the Development Loan Fund, both from the standpoint of overall foreign policy requirements and the operating needs of the institution itself.

The President has recommended that the Congress authorize and appropriate \$700 million to become available to the Development Loan Fund beginning in fiscal year 1960.² He has also requested revisions in the Mutual Security Act which would make available to the Development Loan Fund, after administrative needs of other agencies are met, local currency repayments under mutual security loans concluded since 1954 and which would provide a clear and more flexible basis under which the DLF can work out arrangements for the fiscal administration of loans.

This committee is well aware of the economic and social revolution which is sweeping the less

developed areas of the free world. A billion people have their eyes set on economic progress. With the new-found political independence that has come to many nations has come a demand for similar social and economic progress. The question is: Will this progress take place in freedom? Will our free institutions prove equal to the task of meeting the economic aspirations of the peoples of Asia, Africa, and Latin America?

Challenge for the Free World

This poses a great challenge and a great responsibility for the entire free world. One of the most hopeful signs of the past year has been the way in which other industrialized nations have joined in making external capital available. In my appearance before this committee on January 29, I described the expanded efforts of England, Germany, Canada, and Japan in this field. France for some time has been devoting substantial resources to the development of the African territories of the French Union, and Italy is now preparing to help, particularly in the Arab countries. Nevertheless, as the wealthiest and most industrialized of all nations, with capital available for export, the United States remains the principal single source in the free world for the foreign capital needed by the less developed countries to supplement their own efforts.

¹ Made before the House Foreign Affairs Committee on Mar. 24.

² For text of the President's message to Congress on the 1959 mutual security program, see BULLETIN of Mar. 30, 1959, p. 427.

Although this challenge is compelling, our interests go beyond it. We now depend on the less developed areas for a critical margin of the raw materials which feed our industries; and that dependence is likely to increase as our national resources are depleted and our industries grow. The less developed countries hold within their borders enormous natural resources which constitute a vast and relatively untapped potential for the entire free world.

Moreover, the populations of the less developed countries present the prospect of substantial markets for our goods. Although they are not now large-scale customers their purchases can be expected to rise as development progresses. Higher incomes mean more purchasing power. The export opportunities which would be presented if the incomes of each of the millions of people in Asia, Africa, and Latin America were increased by a small margin would indeed be impressive.

Independent of—but intensifying—these challenges is the aggressive presence of Communist imperialism. The Soviet bloc is well aware of the profound urge for a better life that has swept the less developed areas and the opportunities which this situation presents for furthering its own purposes. In my appearance before this committee last January, I noted that from 1954 through 1958 the Sino-Soviet bloc agreed with 18 underdeveloped countries to provide \$2.4 billion in credits and grants for economic and military aid, of which \$1.6 billion was for economic aid alone. Agreements totaling \$1 billion were completed in 1958, reflecting a marked step-up in the efforts of the bloc. From all indications this accelerated pace will be maintained.

The breadth, scope, and intensity of the Soviet effort are illustrated in the charts on pages 35, 36, and 38 of the printed record of the January 29 hearings. I should like to offer them, Mr. Chairman, for inclusion in this record as well.³

In the face of these challenges the Congress 2 years ago established the Development Loan Fund and stated in so doing the fundamental truth “that the progress of free peoples in their efforts to further their economic development, and thus to strengthen their freedom, is important to the security and welfare of the United States.”

³ Not printed here.

Specialized Purpose of the DLF

The Development Loan Fund was established for a particular, specialized purpose: the provision of capital for productive economic growth. With the exception of the technical cooperation program the other elements of the mutual security program are not designed to promote economic development. They provide instead the military strength required to offset the Communist threat, and they help to maintain political and economic stability from year to year. These are both essential prerequisites to development itself, but their usefulness and purpose would be largely lost in the absence of adequate provision for forward movement in the development process. For this reason an adequate Development Loan Fund can be considered the keystone of the arch in our mutual security program.

The development needs of the free world are so large that they require the combined efforts of public and private capital from all the industrialized countries. Recognizing this, the Development Loan Fund has been designed to supplement but not compete with other free-world sources of financing. It does not compete with private investment capital, the Export-Import Bank, or the International Bank for Reconstruction and Development. It works in the closest cooperation with these institutions. Because of the flexible terms on which its loans can be made, including the acceptance of local currencies in repayment, the Development Loan Fund can help to bring to fruition sound and worthwhile projects which otherwise could not be realized. This is so because many less developed countries are not as yet able to earn enough foreign exchange to fully repay the loans required to complete large projects in the standard 10 to 15 years usually required by private capital and by the Export-Import Bank and the World Bank.

The operating methods of the Development Loan Fund are designed to promote efficient, long-term economic growth. Its financing is exclusively in the form of loans or other types of credit; it does not make grants. It makes loans only for specific projects, and there is a separate loan agreement on each project tailored to the specific situation. The DLF does not program in advance annual levels of assistance for particular countries. It focuses the primary responsibility on the governments or private businessmen concerned by responding only to sound proposals

which they submit. Furthermore, the DLF is not required to obligate its capital within any specific time period; it obligates funds only when it is convinced that efficient use can be made of them in connection with particular projects. In this way the DLF promotes economic growth through the employment of devices which encourage the efficient, businesslike use of resources.

Need for Continuity

An essential element in the effective use of the DLF is an adequate measure of continuity. Without assurances that funds will be available over a period of years the DLF cannot realize its full potential in promoting sound development planning. It is also difficult to work with the international lending institutions in the absence of continuity. We have a vivid example of that situation today. As you know, the DLF is now out of funds. Of the \$700 million appropriated so far, less than \$1 million is still unallocated. Unless the Congress votes a supplemental appropriation as has been requested by the President, we will be out of business and marking time until new funds for fiscal year 1960 are received, probably in August.⁴

What does that mean? Let me give you an example. Just last week, under the leadership of the World Bank, representatives of India, Britain, Germany, Canada, Japan, and the United States met in Washington to consider the needs of India in the 4th year of her second 5-year plan, which begins on April 1. In this meeting the World Bank and the representatives of every country but one indicated what they could do to help. That one was the United States. We had to say, "Proceed with your plan, and next August when one-third of your fiscal year is past we will tell you what, if anything, we can do." This incident is but one of many. A privately run development bank in Iran designed to give major impetus to private investment, an airport in Chile, an essential electric transmission line in Pakistan, and many other projects on which planning was well along will have to be laid aside until new funds are available.

⁴The House of Representatives on Mar. 24 approved a supplemental appropriation of \$100 million for the Development Loan Fund, and the Senate Appropriations Committee on Apr. 17 recommended a supplemental appropriation of \$200 million.

I know that some of you have wondered why the administration is not now requesting that the Development Loan Fund be capitalized on a long-term basis. The reasons for not presenting such a request this year seemed to us compelling. In the first place we have now only about 1 year of effective operation of the Fund behind us. The additional experience that will come with another year's operation will be invaluable in judging the size and form which longer term capitalization of the Fund should take. You will recall that, when the President originally proposed the establishment of the Development Loan Fund 2 years ago, he asked for a 3-year capitalization and as he stated in his message last week it was his intention, based on observation of its progress within that period, to ask for longer term capitalization commencing in fiscal year 1961.

Another reason for postponing the decision on long-term capitalization flows from our desire to insure that the Development Loan Fund fits in carefully to the pattern of other development institutions. This year consideration is being given to the creation of two new institutions in this field. One is the inter-American development banking institution. Negotiations looking toward its creation have been under way in Washington among the 21 members of the Organization of American States since early January.⁵ They are now nearing their conclusion and we hope that this institution will become a reality in the course of this year. The second institution to which consideration is being given is an international development association to be formed as an adjunct of the World Bank.⁶ This would be a multilateral version of our own Development Loan Fund. While negotiations regarding this institution are not as far advanced as in the case of the inter-American institution, we do expect that later in the year we will have a clearer idea as to the practicability and possibilities of such an institution. Such information regarding these two institutions would be useful in working out more precise long-term plans for the Development Loan Fund. Taking into account this information and our further experience in operating the Fund, the Department of State presently intends to submit for consideration by the President next fall a proposal for the

⁵ See p. 646.

⁶ For background, see BULLETIN of Apr. 7, 1958, p. 564.

long-term financing of the Development Loan Fund beginning in fiscal year 1961.

Importance of DLF Confirmed by Experience

The Development Loan Fund now has behind it about 14 months of active experience. This has given proof of its ability to make useful loans and to operate effectively at a rate of at least \$700 million a year. Furthermore, we now have confirmation in experience of the important role this institution can play in the conduct of our foreign policy.

As you will note from the chart ⁷ on page 2 of the presentation book devoted to the DLF, it had taken under consideration \$2.8 billion in screened proposals by the end of January 1959. \$602 million of this total were later withdrawn, transferred to other interested financing institutions, or found on further examination to be inappropriate for DLF financing.

As of this morning only \$800,000 of the Fund's capital is still available for loans. The loans we have so far made are all for specific, sound projects. As Chairman of the Board of Directors I have gone over each commitment together with my colleagues on the Board—the Chairman of the Board of Directors of the Export-Import Bank; the United States Executive Director of the IBRD, who is also an Assistant Secretary of the Treasury; the Director of the ICA; and the Managing Director of the Fund. The Board has approved each loan. I am satisfied that each commitment is technically, economically, and financially sound and will contribute to economic growth.

We have made loans for roads, power generation and transmission, port facilities, railways, telecommunications, irrigation, and other types of economic overhead facilities. We are also financing cement and fertilizer plants, jute mills, a pulp factory, a sugar mill, and other manufacturing enterprises. The lending resources of several established, well-run local development banks have also been enlarged to enable them to make more foreign exchange available for investment by small entrepreneurs.

In its first year the DLF was also able to join with other lenders in specific loan transactions. Thus shortfalls in project financing under India's second 5-year plan were met with several loans

totaling \$175 million, in conjunction with credits extended by the Export-Import Bank, the International Bank for Reconstruction and Development, and the Governments of the United Kingdom, Germany, Japan, and Canada. One of the DLF loans will enable Indian manufacturers to produce about 20,000 freight cars, 300 steam locomotives, and 600 steel coaches for the railway system; another will permit the assembly in India of about 16,000 buses, trucks, and jeeps and the expansion of India's privately owned jute and cement industries. Above all, the DLF loans were a critical element in enabling India's second 5-year plan to continue without further cutbacks. At the same time the DLF made loan commitments totaling about \$70 million for seven different projects in neighboring Pakistan.

Confusion Regarding Availability of Funds

I have noted some confusion regarding the availability of funds to the DLF. It has been said that since the DLF has only expended a very small portion of its appropriations—\$27 million out of \$700 million—there is no need as yet for further appropriations. Such statements totally ignore the fundamental nature of the DLF. The DLF finances projects. When it makes a loan it commits sufficient funds to carry the project to completion. Development projects take time to construct. On the average World Bank projects have taken 3 to 4 years to complete. The DLF projects are similar in nature. We can expect to spend about 10 percent to 15 percent of the funds allotted to each project during the first year after a loan agreement is signed and the rest over the remainder of the 3- to 4-year period. This has been the experience of the World Bank and of the Export-Import Bank in the development field. This means that when fully under way the Development Loan Fund can expect to have a pipeline of unexpended funds equivalent to about 2 full years of operations. Once a commitment is made the funds are set aside for the particular project and are unavailable for other uses. Therefore the unexpended funds of the DLF have no connection with its ability to undertake new projects. That ability is measured solely by the amount of uncommitted funds.

Here again there has been some confusion as to when funds are actually committed and become unavailable for other uses. The commitment

⁷ Not printed here.

process used by the DLF is identical to that used by the Export-Import Bank for many years. It is a tried and true procedure. It starts with the approval of a loan by the DLF Board of Directors. Once a loan has been approved by the Board it is submitted to the National Advisory Council for its advice, and when that advice is received a formal letter of commitment is given to the prospective borrower. This generally occurs within 2 weeks of Board action, and this constitutes the pledged word of the United States. At this point the U.S. commitment to make the loan is publicly announced in the country of the borrower. At this point our funds are committed and are unavailable for any other use. As the Director of the Bureau of the Budget stated in his recommendation on the supplemental appropriation request, our funds are, in effect, obligated at this point.

The final step in the process is the working out of a detailed loan agreement many pages thick. This process now takes the DLF a bit more than 90 days on the average. As we gain experience we hope to cut this period to somewhere around 60 days, the average time now required by the Export-Import Bank for this same step. While it is only when this detailed loan agreement is signed that all the legal formalities of obligation are fully completed, the commitment by the United States runs from the date when its written word is given to the borrower. After this date the only circumstance in which the funds would revert to the DLF for other use would be if the prospective borrower, for one reason or another, decided not to accept the loan. Thus the need for supplementary funds in fiscal year '59 and for the funds requested for fiscal year '60 is directly related to the sums publicly committed by the Fund rather than to expenditures or to the total of completed loan agreements.

Request for New Capital

The \$700 million in new capital which we are requesting that the Congress make available beginning in fiscal year 1960 will permit the DLF to continue lending at about the same rate that it maintained during its first year of active operations. Such an appropriation is the barest minimum needed in advancing our objectives in the less developed areas. It represents less than one-sixth of 1 percent of our gross national product.

Past experience is one measure of the need. In 1957 and 1958 many of these countries showed no appreciable increase in incomes per person. In some cases overall growth was more than eaten up by population increases. During these years the impact of previous development assistance programs undertaken by the United States was being felt. These investment activities, which were undertaken prior to the establishment of the DLF, averaged somewhat more than \$400 million per year. The results confirm that an acceptable rate of progress will require considerably more than a \$400 million rate of United States development assistance.

Our request is also minimal when compared to the recommendations of almost every responsible public and private body that has surveyed this problem. In April 1957 the Committee for Economic Development, whose membership contains many responsible businessmen, recommended an annual outlay of \$1 billion a year over each of the succeeding 5 years in addition to then current U.S. development assistance programs. In May 1958 the National Planning Association, of which numerous business, labor, and academic leaders are members, called for a U.S. Government program with \$10 billion to \$20 billion in capital for use over 5 to 10 years to finance basic public investment in underdeveloped countries. And in the spring of 1958 the Special Studies Project of the Rockefeller Brothers Fund echoed recommendations made in the previous year by the International Development Advisory Board when it called for substantial increases in the level of appropriations already made available to the DLF.

And only last week the President's Committee To Study the U.S. Military Assistance Program, headed by William H. Draper, Jr., and including among its membership two former Directors of the Budget and several former high-ranking military officers, concluded that the total fiscal year 1960 request for economic assistance as a whole was the minimum required. The Committee also expressed a belief that loans for development assistance under the mutual security program will probably be needed at a rate of at least \$1 billion per year by fiscal year 1961.

I cannot emphasize too strongly the importance that President Eisenhower personally attaches to this request. He firmly believes that the mutual

security program must deal with the deep social and economic undercurrents that are now shaping the free world's tomorrow. It must help to present an affirmative, positive image of the United States to the world, an image of the great tradition of enterprise and idealism that has motivated the American people since our earliest beginnings. It must look ahead and try to cope today with

the conditions that will affect the interests of the United States in years to come.

The Development Loan Fund can be a major response to these challenges. It can represent a major exercise of our responsibilities. Whether it will, depends at this point in history on whether our Nation is willing to invest today in the free world's peace and progress tomorrow.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Calendar of International Conferences and Meetings ¹

Adjourned During April 1959

IA-ECOSOC Specialized Committee of Governmental Representatives To Negotiate and Draft the Articles of Agreement of an Inter-American Financial Institution.	Washington	Jan. 8-Apr. 8
U.N. Commission on Human Rights: 15th Session	New York	Mar. 16-Apr. 10
U.N. Conference on Elimination and Rednction of Future Statelessness.	Geneva	Mar. 24-Apr. 17
Tripartite and Quadripartite Foreign Ministers Meetings	Washington	Mar. 31-Apr. 1
Interparliamentary Council: 84th Meeting	Nice	Apr. 1-6
World Meteorological Organization: 3d Congress	Geneva	Apr. 1-29
ITU International Radio Consultative Committee (CCIR): 9th Plenary Assembly.	Los Angeles	Apr. 1-30
ICEM Executive Committee: 12th Session	Geneva	Apr. 2-6*
Ceremony Commemorating the 10th Anniversary of NATO and Ministerial Session of the Council.	Washington	Apr. 2-4
Caribbean Commission: <i>Ad Hoc</i> Committee on Revision of Agreement for Establishment of the Commission.	Trinidad	Apr. 2-10
2d FAO World Fishing Boat Congress	Rome	Apr. 5-10
GATT Panel on Subsidies and State-Trading	Geneva	Apr. 6-10
ILO Committee of Experts on the Application of Conventions and Recommendations: 29th Session.	Geneva	Apr. 6-18
ICEM Council: 10th Session	Geneva	Apr. 7-10
FAO European Commission for Control of Foot and Mouth Disease.	Rome	Apr. 7-10
U.N. Economic and Social Council: 27th Session	México, D.F.	Apr. 7-24
IAEA Board of Governors: 11th Session	Vienna	Apr. 7-17
SEATO Council: 5th Meeting	Washington	Apr. 8-10
FAO Panel of Experts on Agricultural Support Measures	Rome	Apr. 9-30
GATT Panel on Antidumping and Countervailing Duties	Geneva	Apr. 13-17
FAO: 2d Meeting of Government Experts on Use of Designations, Definitions, and Standards for Milk and Milk Products.	Rome	Apr. 13-18
U.N. Committee for the Purpose of Determining When the General Assembly Should Consider the Question of Defining Aggression.	New York	Apr. 14-17

¹Prepared in the Office of International Conferences, Apr. 17, 1959. Asterisks indicate tentative dates. Following is a list of abbreviations: CCIR, Comité consultatif international des radio communications; CCITT, Comité consultatif international télégraphique et téléphonique; ECAFE, Economic Commission for Asia and the Far East; ECLA, Economic Commission for Latin America; ECOSOC, Economic and Social Council; FAO, Food and Agriculture Organization; GATT, General Agreement on Tariffs and Trade; IAEA, International Atomic Energy Agency; IA-ECOSOC, Inter-American Economic and Social Council; IBE, International Bureau of Education; ICAO, International Civil Aviation Organization; ICEM, Intergovernmental Committee for European Migration; ILO, International Labor Organization; IMCO, Intergovernmental Maritime Consultative Organization; ITU, International Telecommunication Union; NATO, North Atlantic Treaty Organization; OAS, Organization of American States; PAHO, Pan American Health Organization; SEATO, Southeast Asia Treaty Organization; TAA, Technical Assistance Administration; U.N., United Nations; UNESCO, United Nations Educational, Scientific and Cultural Organization; UNICEF, United Nations Children's Fund; WHO, World Health Organization; WMO, World Meteorological Organization.

Calendar of International Conferences and Meetings—Continued

Adjourned During April 1959—Continued

FAO <i>Ad Hoc</i> Committee on Campaign To Help Free the World From Hunger.	Rome	Apr. 15-17
Caribbean Commission: Conference on the Financing of Agriculture.	Trinidad	Apr. 15-24
UNESCO Study Group on Works of Applied Art, Designs, and Models.	Paris	Apr. 20-23
ILO Meeting To Establish an Individual Control Book for Drivers and Assistants in Road Transport.	Geneva	Apr. 20-24
Permanent International Commission of Navigation Congresses: Committee Meeting.	Brussels	Apr. 21-22
U.N. Commission on Narcotic Drugs: Committee on Illicit Traffic.	Geneva	Apr. 22-24
Conference on Food for Peace: Officials Meeting	Washington	Apr. 27-29

In Session as of April 30, 1959

Political Discussions on Suspension of Nuclear Tests	Geneva	Oct. 31, 1958-
Four-Power Working Group (preparatory to Foreign Ministers Meeting).	London	Apr. 13-
PAHO Subcommittee To Study the Constitution and Rules of Procedure.	Washington	Apr. 13-
U.N. Committee on Information From Non-Self-Governing Territories: 10th Session.	New York	Apr. 20-
U.N. Economic Commission for Europe: 14th Session	Geneva	Apr. 20-
U.N. Social Commission: 12th Session	New York	Apr. 27-
ILO Coal Mines Committee: 7th Session	Geneva	Apr. 27-
OAS Special Committee To Study New Measures for Economic Development ("Committee of 21").	Buenos Aires	Apr. 27-
U.N. Commission on Narcotic Drugs: 14th Session	Geneva	Apr. 27-
U.N. Lead and Zinc Committee	New York	Apr. 28-
ICAO Aeronautical Information Services and Aeronautical Charts Divisions.	Montreal	Apr. 28-
South Pacific Conference: 4th Session	Rabaul, New Britain	Apr. 29-
WMO Executive Committee: 11th Session	Geneva	Apr. 29-

Scheduled May 1 Through July 31, 1959

12th International Cannes Film Festival	Cannes	May 1-
PAHO Executive Committee: 37th Meeting	Washington	May 4-
U.N. Transport and Communications Commission: 9th Session	New York	May 4-
U.N. International Study Group on Lead and Zinc	New York	May 4-
U.N. ECAFE Inland Transport and Communications Committee: Working Party of Telecommunications Experts.	Tokyo	May 4-
Conference on Food for Peace: Ministers Meeting	Washington	May 5-
GATT Intersessional Committee	Geneva	May 6-
Rubber Study Group: Special Management Committee	London	May 11-
ITU International Telephone and Telegraph Consultative Committee (CCITT): Meeting of the Plan Subcommittee for South Asia and the Far East.	Tokyo	May 11-
GATT Committee on Balance-of-Payments Restrictions	Geneva	May 11-
Meeting of Four-Power Foreign Ministers	Geneva	May 11-
GATT Consultations With European Economic Community on Sugar.	Geneva	May 11-
U.N. ECLA Committee on Trade	Panamá	May 11-
GATT Contracting Parties: 14th Session	Geneva	May 11-
FAO Technical Meeting on Fishery Cooperatives	Naples	May 12-
FAO Cocoa Study Group: Statistical Committee	Rome	May 12-
12th World Health Assembly	Geneva	May 12-
U.N. Economic Commission for Latin America: 8th Session	Panamá	May 13-
South Pacific Commission: 19th Session	Rabaul, New Britain	May 13-
FAO Cocoa Study Group: Executive Committee	Rome	May 13-
International Cotton Advisory Committee: 18th Plenary Meeting	Washington	May 13-
4th Inter-American Indian Conference	Guatemala City	May 16-
U.N. Commission on Sovereignty Over Natural Wealth and Resources.	New York	May 18-
U.N. ECOSOC Latin American Seminar on Status of Women	Bogotá	May 18-
UNESCO External Relations Commission	Paris	May 18-
FAO Group on Grains: 4th Session	Rome	May 18-
UNESCO Administrative Commission	Paris	May 18-
ITU Administrative Council: 14th Session	Geneva	May 19-
UNESCO Intergovernmental Advisory Committee for Major Project on "Mutual Appreciation of Eastern and Western Cultural Values": 2d Meeting.	Paris	May 19-

16th International Congress of Veterinarians	Madrid	May 21-
ILO Governing Body: 142d Session (and Committees)	Geneva	May 25-
ICAO Panel for Coordinating Procedures Respecting the Supply of Information for Air Operations (P.I.A. Panel).	Montreal	May 25-
NATO Civil Defense Committee	Paris	May 25-
UNESCO Executive Board: 54th Session	Paris	May 25-
U.N. Special Fund: 2d Session of Governing Council	New York	May 26-
WHO Executive Board: 24th Session	Geneva	May
U.N. Scientific Advisory Committee of Atomic Energy	New York or Geneva	May
IAEA Symposium on Radioactivation Analysis	Vienna	June 1-
Inter-American Commission of Women: 13th General Assembly	Washington	June 1-
International Commission for Northwest Atlantic Fisheries: 9th Annual Meeting.	Montreal	June 1-
FAO Committee on Commodity Problems: 31st Session	Rome	June 1-
U.N. Trusteeship Council: 24th Session	New York	June 2-
ILO Conference: 43d Session	Geneva	June 3-
Customs Cooperation Council: 14th Session	Brussels	June 8-
FAO/UNICEF Joint Policy Committee: 2d Session	Rome	June 8-
FAO Council: 30th Session	Rome	June 15-
6th International Electronic and Nuclear Exhibit and Congress	Rome	June 15-
GATT Group of Experts on Restrictive Business Practices	Geneva	June 15-
ICAO Assembly: 12th Session	San Diego	June 16-
South Pacific Research Council: 10th Meeting	Nouméa, New Caledonia	June 17-
International Whaling Commission: 11th Meeting	London	June 22-
IMCO Maritime Safety Committee: Subcommittee on Tonnage Measurement.	London	June 24-
9th International Berlin Film Festival	Berlin	June 26-
FAO Desert Locust Control Committee: 6th Session	Rome	June 29-
GATT Committee on Balance-of-Payments Restrictions	Geneva	June 29-
15th International Dairy Congress	London	June 29-
U.N. Economic and Social Council: 28th Session	Geneva	June 30-
U.N. ECAFE Conference of European Statisticians: 7th Session	Geneva	June
Permanent International Commission of Navigation Congresses: Annual Meeting.	Brussels	June
Executive Committee of the Program of the U.N. High Commissioner for Refugees: 2d Session.	Geneva	June
IA-ECOSOC Permanent Technical Committee on Ports: 2d Meeting.	Montevideo	June
Inter-American Travel Congresses: 3d Meeting of Technical Committee of Experts on Travel Plant.	Washington	June
U.N. ECAFE/FAO Working Party on Utilization of Wood Poles	Bangkok	July 1-
International Seed Testing Association: 12th Congress	Oslo	July 6-
UNESCO/IBE: 22d International Conference on Public Education.	Geneva	July 6-
IMCO Council: 2d Session	London	July 20-
Caribbean Commission: Conference on Revision of Agreement for Establishment of the Commission.	Trinidad	July*
IAEA Seminar on Training of Specialists in the Peaceful Uses of Atomic Energy.	Saclay, France	July
U.N. ECAFE Working Party on Small-Scale Industries and Handicraft Marketing: 6th Meeting	Singapore	July
U.N. ECOSOC Technical Assistance Committee	Geneva	July

Current U.N. Documents: A Selected Bibliography¹

Security Council

- Letter Dated 5 February 1959 From the Acting Permanent Representative of Pakistan Addressed to the President of the Security Council Concerning Kashmir. S/4157. February 6, 1959. 2 pp. mimeo.
- Letter Dated 6 February 1959 From the Acting Permanent Representative of Thailand Addressed to the

Secretary-General Concerning Relations With Cambodia. S/4158. February 7, 1959. 2 pp. mimeo.

Letter Dated 19 February 1959 From the Permanent Representative of the United Arab Republic Addressed to the President of the Security Council Concerning Israeli Aggression. S/4164. February 20, 1959. 2 pp. mimeo.

Economic and Social Council

- Economic Commission for Asia and the Far East. Report of the Working Party on Co-Ordination of Transport to the Inland Transport and Communications Committee (Eighth Session). E/CN.11/TRANS/137. January 2, 1959. 31 pp. mimeo.
- Customs Convention on the International Transport of Goods Under Cover of TIR Carnets (TIR Convention) and Protocol of Signature. E/ECE/332. January 15, 1959. 65 pp. mimeo.

¹ Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York 27, N.Y. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

American Republics Draft Agreement for Inter-American Development Bank

The Specialized Committee for Negotiating and Drafting the Instrument of Organization of an Inter-American Financial Institution, convoked by the Inter-American Economic and Social Council on October 9, 1958, began its work at the Pan American Union, Washington, D.C., on January 8, 1959. The Committee negotiated and drafted an agreement for the proposed Inter-American Development Bank and established a Preparatory Committee to be convoked by the Secretary General of the Organization of American States for September 15, 1959. Following is a statement made at the final plenary session of the Specialized Committee on April 8 by the U.S. representative, T. Graydon Upton, Assistant Secretary of the Treasury, together with the text of the resolution setting up the Preparatory Committee. Copies of the Final Act, which includes the text of the agreement, may be obtained at a nominal cost by writing to the Pan American Union, Washington, D.C.

STATEMENT BY MR. UPTON

Mr. Chairman, Mr. Secretary General, fellow delegates to the Specialized Committee:

I have the honor to read a statement by the President of the United States:

The proposal for an Inter-American Development Bank has taken concrete form as a result of the negotiations which have just been concluded in Washington. Such an inter-American financial institution has been an aspiration and hope of Latin American countries for decades.

I believe that the proposed Inter-American Development Bank, when approved by the members of the Organization of American States through their regular legislative processes, will make a significant contribution to the continuing economic progress of the American Republics and stand as an enduring testimonial to the spirit of cooperation among these nations. I congratulate the representatives of the nations concerned for their work in advancing the proposed bank to the point marked by today's event.

I also would like to read a letter addressed to me by the Secretary of the Treasury, Robert B. Anderson:

DEAR MR. UPTON: I congratulate you and the other members of the Specialized Committee who are today completing the final step in drafting a charter for the proposed Inter-American Development Bank.

I am confident that the proposed bank will become a major instrument of economic cooperation among the American Republics. As a result of the negotiations during the past three months in Washington, the ideas discussed at the meeting of Ministers of Finance or Economy in Buenos Aires in August of 1957¹ have now been given a definite and concrete form. The instrument which has been drafted will provide the basis for the institution to carry out its operations in an effective and responsible manner, with the active participation of the Latin American countries in all its activities.

I would be pleased if you would read this letter at the closing session at the Pan American Union as an expression to all concerned of my deep satisfaction.

Sincerely,

ROBERT B. ANDERSON

At the invitation of the Inter-American Economic and Social Council and under the instructions of our governments, we met together in this room just 3 months ago to begin a very challenging task. We had been asked to draft a charter for an inter-American financial institution, to bring to realization the hopes and dreams for such an institution which had existed for the last 60 years. We were instructed to remain in continuous session until we could transform these aspirations of the past into a concrete, specific instrument for dealing with the development problems of the present. Today our work is completed. The charter for the Inter-American Development Bank lies before us on the table.

One of the distinguished delegates reminded us the other day of the proverb that a journey of a thousand miles begins with a single step. The step we have taken here is a long one and a firm one which starts us straight toward our objective of speeding still further the economic development of all the American Republics.

It has been said that there is nothing more powerful than an idea whose hour has arrived. The hour for the idea of an Inter-American Development Bank has now arrived. Its arrival has been hastened by the unremitting hard work and the real sense of give and take which has characterized this meeting. It has been hastened by the fine feeling of inter-American cooperation which has been displayed by every delegate to this Specialized Committee. To those of you who have not participated in our work for 13 busy weeks, these words may sound like the usual formalities of a closing ceremony. But those who have shared the

¹For background, see BULLETIN of Sept. 16, 1957, p. 463, and Sept. 30, 1957, p. 539.

close analysis of every phrase and every paragraph, the long hours of discussion with which we clarified our objectives, the search for a satisfactory capital structure—you will know that I speak sincerely.

Delegates from 21 nations do not spend 3 intensive months working on a complex problem of the type with which we were faced without having honest differences of opinion. My admiration is very high indeed for the manner in which individual delegates presented and supported the positions of their governments. But together, country by country, delegate by delegate, we placed our individual concepts under searching examination. Many of our original thoughts were revised, clarified, and given precise expression by the process of analysis and examination and are found in the charter before us.

When so many outstanding individuals have participated constructively in our work, it would be difficult to suggest which delegate made which contribution to our success. Nevertheless there was one individual whose unlimited and conscientious toil, whose unfailing good humor, and whose ability to bring about the most satisfactory merger of different viewpoints were outstanding. On many occasions he found the path to our continued progress. His optimism carried us through many a long and difficult session. I refer, of course, to our chairman, Dr. Mario O. Mendivil. To him belong our affectionate and sincere thanks. May he wear this achievement proudly.

The sincere thanks of the Committee are also due, and overdue, to the Organization of American States and to its Director General, Dr. [José A.] Mora. The able chairman of the Inter-American Economic and Social Council, Sr. Lic. Rafael Glower Valdivieso, served as vice chairman of the Committee and assisted Dr. Mendivil and all the rest of us in the successful conclusion of our work.

We would not be here today celebrating the completion of our work were it not for the devoted and intelligent support which the secretariat of the Organization of American States has provided us through long and grueling hours of drafting, translation, duplication of documents, and other services. Our thanks are due to Dr. [Cecilio J.] Morales, Secretary General of the Specialized Committee, and to Dr. [Pedro] Irañeta, and to many of their associates. My delegation, in particular, owes a debt of gratitude to the translation

staff which enabled us to follow the negotiations with speed and clarity.

Resisting the temptation to name every delegate, I think the Committee must also express its appreciation for the outstanding work of the officials of the various subcommittees. The delegate from Chile, Sr. Don Felipe Herrera, moved the work of subcommittee 2 forward with dispatch. Subcommittee 1 started its work under the energetic and experienced hand of Dr. Ignacio Copete Lizarralde of Colombia. When Dr. Copete found it necessary to return to his own country, Sr. Don Jorge Hazera of Costa Rica carried forward the work of subcommittee 1, which was called upon to handle very complex portions of the Committee's work. The Style Committee worked long and tirelessly under the direction of Sr. Don Jorge Marshall of Chile. The Committee on Credentials concluded its work promptly under the chairmanship of Ambassador Virgilio Díaz Ordóñez.

I would also like to give my personal thanks to those who served with me in the U.S. delegation. They include representatives of the Departments of State and Treasury, the Export-Import Bank, and the Development Loan Fund. I would also like to thank those who, by sitting on the National Advisory Council on International Monetary and Financial Problems, of which Secretary Anderson is chairman, served as the coordinating avenue for the U.S. delegation position.

The charter is now completed. We may all spend a moment looking back with satisfaction on a job well done, but after this brief pause we must again look forward, not back. We must now all do our utmost to bring about expeditious consideration of the Inter-American Development Bank by our respective legislative bodies.

This Committee now disbands, its work completed. Each of us can point with pride and contemplate with honor the results of our labors.

The charter which we are submitting today calls for an institution of the American Republics, which will work for the benefit of the American Republics, and which will be staffed and operated by the American Republics. It is our institution. We are happy to be in a position today to participate in signing the Final Act which this Specialized Committee has prepared. We look forward with confidence to a future for the Inter-American Development Bank which will make it a

focal center for the financial and economic progress of all Latin America.

RESOLUTION ON PREPARATORY COMMITTEE

1. A Preparatory Committee for the Inter-American Development Bank is hereby established to perform the following functions:

(a) To establish the rules of procedure for its activities;

(b) To take the necessary steps for the preparation of the first meeting of the Board of Governors, including the drafting of an agenda and provisional regulations for that meeting; and

(c) To prepare for consideration by the Board of Governors at its first meeting such studies as the Committee deems necessary on technical, administrative, and legal matters related to the establishment of the Bank.

2. The Preparatory Committee shall perform its duties until the first meeting of the Board of Governors. The Committee shall be composed of one representative of each of the following countries:

Argentina

Brazil

Chile

Costa Rica

El Salvador

Mexico

United States of America

The first meeting of the Preparatory Committee will be held on September 15, 1959.

3. The Preparatory Committee shall make arrangements with the General Secretariat of the Organization of American States as to the cooperation of that Secretariat with the Committee, especially with respect to providing personnel and space for its work.

4. Once the Agreement Establishing the Inter-American Development Bank has entered into force, pursuant to Article XV, Section 2, the Committee may have at its disposal, to enable it to perform its functions, not more than 20 per cent of the resources which are required to be delivered pursuant to Section 1(c) of that article.

5. Each government shall defray the expenses incidental to its representation on the Preparatory Committee.

Situation of International Trade in Primary Commodities

Statement by Thomas C. Mann

*Assistant Secretary for Economic Affairs*¹

My country ranks second to none in its interest in promoting the steady and rapid development of Asia, Africa, and Latin America within a prosperous world economy. We appreciate the clear relationship of commodity problems to these objec-

tives. If there are possibilities for reducing the severity of fluctuations in the prices of primary products which are being overlooked, the United States has an obvious interest in having them brought to light. If these possibilities appear to be sound and constructive, the United States is certainly prepared to give them serious consideration.

The United States shares in the general concern over problems of commodity trade for the further reason that it is itself one of the world's largest producers and traders of primary products. As exporter or importer, we account for more than one-third of world trade in the leading primary commodities. We supply in some years more than half of the world's exports of coal and corn and between a third and a half of the world's exports of wheat, cotton, and tobacco. We are also the largest single market for many commodities. We must import all of our requirements of some commodities and a large and generally increasing share of our requirements of others. Thus, the United States has, in the recent past, been the destination for over half of the world's exports of coffee and tin and for between a third and a half of the world's exports of lead, zinc, cocoa, and bananas.

Outlook for Primary Commodity Markets

When this Commission met last year the outlook for primary commodity markets was uncertain and the source of considerable concern. We meet today under better circumstances. The recession in the United States was short and relatively mild. I am pleased to say that it did not occasion any decline in United States imports of foodstuffs and other consumer goods, while decline in United States imports of industrial raw materials did not exceed 2 percent in volume. United States production bore the brunt of reduced demand in a number of cases. United States exports of primary products also declined in this period. As the current *Commodity Survey*² points out, the cutback in import demand in Western Europe and Japan affected exports from the United States to a greater extent than exports from other suppliers, including the

¹Made at the 7th session of the U.N. Commission on International Commodity Trade at New York, N.Y., on Mar. 16 (U.S./U.N. press release 3157). Mr. Mann is the U.S. representative on the Commission.

²U.N. doc. E/CN. 13/33.

less developed countries. Commodity prices, with some conspicuous exceptions, have strengthened and stabilized. For a number of commodities, lower prices have meant an improved competitive position and expanded markets.

All of this does not mean that commodity problems are no longer of serious current concern for many countries and of continuing, recurrent concern to us all. While the experience of the recent past shows once again that the industrial countries have the ability and will to moderate fluctuations in business activity, it also shows that recessions, though neither deep nor prolonged, may weaken individual commodity markets and thus, for a time, reduce the income of countries dependent on these markets. Moreover, as other speakers have noted, and as the secretariat's fine study [*Commodity Survey*] and the working party's useful summary³ amply demonstrate, current demand is only one part of the story. There are other short-term, or long-term, factors at work in the case of some commodities which can lead to excess supplies and unprofitable prices at any prospective levels of demand.

In the year and a half that I have been in my present position, no aspect of our foreign economic policy has received more attention within the United States Government than international commodity problems, nor proved more stubborn to deal with. I have heard many suggestions as to what we and others should do about them. I have listened with an open mind. I have been unable to convince myself that intergovernmental agreements regulating prices or trade are generally feasible or desirable. There are exceptions. For example, I imagine none of us would welcome the elimination of the agreements which exist in regard to coffee, sugar, tin, and wheat. Possibly other arrangements of one kind or another may be adopted in the future in respect to other commodities. But generally speaking the burden should be on the proponents of stabilization schemes to show that they are in the best interest of the less developed countries—and by “best interest” I mean the long- as well as the short-term interest of these countries.

At a time when productive capacity has, in many cases, temporarily outstripped demand, with consequent building up of surpluses, a suggestion

which I frequently hear is that we resort to international stockpiling for stabilization purposes, or to internationally financed national stockpiles. Although we have not had much international experience with stockpiling, we have had considerable experience at the national level, particularly in my country. As the current *Commodity Survey* indicates, one result of our stockpile programs has been to create a false demand for a time and thereby encourage not stabilization but imbalance.

Many of you are familiar with how this has worked in the case of lead and zinc. In 1954 President Eisenhower announced that, rather than approve the recommendation of the Tariff Commission for increased tariffs, he was instituting an expanded stockpile program for domestic lead and zinc and directing the Secretary of Agriculture to barter surplus agricultural products for foreign lead and zinc, which would go into the supplemental stockpile.⁴ We find now that, by this action, we only postponed the day of reckoning when producers of lead and zinc around the world must go through the agonizing process of cutting back their current output until it is more nearly in balance with consumption.⁵ We had hoped to buy a little time in which these adjustments could be made gradually and relatively painlessly. But the combination of relatively high prices and an assured market for any output above commercial demand discouraged the necessary adjustments. It provided the incentive for continued excess production, not for production adjustments.

Another possible expedient which is frequently discussed as a means of keeping the pressure of current excess supplies off the market and of maintaining prices is to have exporters agree to establish export quotas which would regulate the amount coming onto the market and allocate that amount among exporters in accordance with some historical pattern of trade. Although quotas are, as in the case of coffee, sometimes necessary as emergency stopgap measures, I am troubled when people speak of them as *solutions* to problems of imbalance. Quotas do give governments time to find solutions to the basic problem of overproduction (or in special cases underconsumption), but

⁴ BULLETIN of Sept. 6, 1954, p. 339.

⁵ For background, see *ibid.*, Oct. 13, 1958, pp. 579 and 583.

³ U.N. doc. E/CN.13/L.64 and Corr. 1.

unless promptly accompanied by production cut-backs, which, experience shows, are politically difficult to impose, they accomplish little good and in the long run can be harmful.

Unless the arrangement covers all producers, it allows nonparticipating countries to reap the benefits of the arrangement and stimulates expansion in their production, counteracting the efforts of the participants to achieve a better balance of supply and demand on the market. If the arrangement is complete in its coverage, it has the disadvantage of protecting established exporters, including those who may be uneconomic, and limiting trade expansion for new exporters.

In any case, such arrangements tend to build up stocks in the hands of producers, which sooner or later will be seeking markets. Such arrangements may, therefore, in the end, prove more destabilizing than stabilizing. One comes down to the fact that, if the problem is one of an underlying imbalance between supply and demand, one must either increase demand by artificial means, or decrease production, or give up any idea of price stability.

Whatever device is used to stabilize prices of particular products, the additional problem remains that producers may soon find that they are losing customers. Buyers of these commodities may either consume less or begin to employ substitutes. For example, when lead prices went up in the United States, an important outlet for lead, the use as insulation for cables, was impaired, as industry shifted to the use of polyethylene and aluminum. Similarly, high cotton prices have contributed to the increased use of synthetic fibers.

Conversely, where prices are free to move downward in response to market factors, the loss this entails is sometimes quickly offset by increased sales. The extent to which this occurs varies, of course, from commodity to commodity.

Chapter 2 of the *Commodity Survey 1958* contains a few examples of how lower or higher prices affect sales, even in the short term. Thus there was a marked expansion of butter consumption in the United Kingdom, the Netherlands, and Sweden as a result of the lower prices which developed for these products in 1957, with butter consumption in the United Kingdom exceeding margarine consumption for the first time since the war. Similarly, in the case of Malaya and Thailand the fall

in unit export values for rubber is reported to have been "made good, more or less by an expansion of volume."

As another example, the *Survey* notes that "as is common in the case of cocoa . . . higher prices tended to generate resistance." In the United States and elsewhere consumption began to fall off as cocoa prices moved up.

Experience With Price Support Programs

The United States is not without experience in the field of price regulation. Its agricultural price support programs go back to measures initiated approximately 30 years ago. Price supports in the case of the basic agricultural commodities have been accompanied by attempts to restrict production. Nevertheless, surplus stocks of these commodities have accumulated and are increasing, rather than diminishing, owing to increase in yields per acre, encouraged by the resulting price incentives and made possible by advances in technology.

These programs, instead of building up markets for American cotton, wheat, corn, and tobacco, have resulted in the loss of American markets. They have at one and the same time stimulated expansion of United States and foreign output of these products and priced the United States product out of its share of world markets. As our Secretary of Agriculture has often stated, the only United States agricultural products that "are in trouble—and that have been in trouble" are the few that "have looked to unrealistic supports and controls rather than to freedom and flexibility for their prosperity." In his farm message to the Congress of January 29 President Eisenhower reviewed this situation and renewed and strengthened his request for farm legislation that will reduce the incentive for unrealistic production and permit the growth of commercial markets.

Many other countries also have programs for supporting prices of agricultural products. The effect on the supply and trade situation in many commodities is a matter of growing concern. In the case of grains, for instance, the FAO Group on Grains points out that, as a direct consequence of official intervention, the traditional economic forces which formerly shaped the pattern of production and international trade in grains have lost much of their influence. This Commission has

heard from the representatives of FAO [Food and Agriculture Organization] and GATT [General Agreement on Tariffs and Trade] of the attention being urgently given by these bodies to this issue of agricultural policies which distort production and trade patterns from their normal economic lines.

There may be exceptional situations in which international regulation of commodity prices or trade is found to be a logical and desirable supplement to widespread national regulation, as in the case of sugar and wheat. Or there may be occasional cases in which restrictive measures are found to be necessary, pending an expected reversal in developments or the formulation of a program for effecting basic adjustments in supply or demand. The present situation in coffee may be cited as an example. But such cases are, in our view, exceptional.

Other Ways of Dealing With Problem

What other things can be done which help, in a sound and constructive way, to deal with the problems associated with commodity trade?

One necessity is, of course, to have adequate resources available for any necessary assistance to countries in temporary balance-of-payments difficulties, such as may result from a sharp drop in export earnings due to the behavior of commodity markets. The members of the Commission are familiar with the steps now being taken to increase the resources and quotas of the International Monetary Fund.⁶

There are other things which, having in mind the old adage that "a stitch in time saves nine," are directed toward treating causes rather than effects. There are at least five of these worth noting.

First among these, as several other speakers have noted, are continued efforts to promote economic diversification and growth. Much is already being done, both bilaterally and multilaterally, to assist the less developed countries in planning, financing, and carrying out their economic development programs. Also, as the less developed countries recognize, they themselves can do much to further this objective through sound fiscal and financial policies and other internal measures.

⁶ For background, see *ibid.*, Mar. 30, 1959, p. 445.

A second element in the attack upon causes is the reduction or elimination of unnecessary governmental barriers to trade. Through the GATT in particular we have long sought to reduce tariffs, quotas, and other restrictive commercial policy measures which distort and restrain trade. Other impediments are such things as export taxes and unrealistic exchange rates in exporting countries and high revenue duties, consumption taxes, and restrictive government-trading operations in importing countries. We have just received a report indicating that, in connection with a GATT study of possibilities of expanding the trade of the less developed countries, a number of these subjects may soon receive specific attention there.

A third element is further progress in learning to moderate the impact of business cycles and to maintain an adequate rate of economic growth. Much progress has been made in this respect, but more can presumably be done.

Fourthly, there are the things which can be done, and are in many cases already being done, by the primary exporting countries themselves to make their products more sought after on world markets and otherwise to make themselves less vulnerable to fluctuations on world markets. I have in mind, for instance, improvements in the organization, procedures, and techniques for marketing their export products, which may be brought about through establishment of export grade standards, provision for effective inspection, and encouragement of greater economy in the handling and preparation of shipments for export. In this connection, note must be taken of the important assistance in these matters which the FAO and the independent commodity study groups are giving; also of the contributions being made in many cases by private industry. I have in mind also that there may be promising possibilities in some cases of reducing production costs and improving the quality of the product. The replanting programs of some of the rubber-producing countries are a case in point.

There are also the possibilities of fiscal and financial policies which can minimize the difficulties arising from instability of export earnings, such as the Brazilian delegate, Mr. [Octavio A. Dias] Carneiro, has drawn to our attention.

The fifth element in the attack upon causes is the relatively simple one of keeping governments

as well informed as possible of what lies ahead in terms of supply and demand and the technological advances which periodically alter the outlook. Many organizations are making important contributions in this respect, but here again more can be done and the CICT, without intruding into the responsibilities of these other bodies, can clearly make a contribution in this field.

This approach which I have outlined is predicated upon the fact that the demand for primary products is growing and will continue to grow, due to population increases, rising standards of living, and the economic development of Asia, Africa, and Latin America. A sound commodity policy, international or national, should, we think, be tailored to this fundamental fact and allow commodity trade to benefit to the fullest extent possible from these natural factors of growth.

Some worthwhile suggestions for the work program of the Commission have been put forward by other delegations, such as the Canadian suggestion for a study relating to business cycles and the suggestion made by Brazil and Argentina, among others, that attention be given to national measures which tackle the problems of market instability in one way or another. We shall listen with interest to the views expressed in the balance of this debate and in the consideration of agenda item 8⁷ and are confident that a useful program will be evolved.

We see many illustrations over the years of the fact that international discussion of common problems brings governments closer together in their views. A recent example which the United States notes with great appreciation is the announcement to this Commission that Brazil, as a major revision of its international commodity policy, agrees that the commodity-by-commodity approach appears to be the only practical approach. I believe that the difference among governments over the issues of commodity trade, which have seemed to loom rather large at times, will continue to lessen as the Commission moves forward with its work.

I personally feel also that more progress is being made in coping with the problems of commodity trade, including market instability, than may appear on the surface. We are too close to the present to see this clearly, but as we look back on this

⁷ Agenda item 8 deals with the future program of work.

period in a matter of a few more years I believe we will see that important foundations have been laid for gradual improvements in the conditions of commodity trade and for minimizing the consequences of adverse conditions. I trust we will find that high among these gains has been the decision to reconstitute the Commission with broad and realistic terms of reference.

The United States is sincerely interested in joining with other governments in studying the problems of commodity trade, both on the commodity-by-commodity basis which is necessary if progress in alleviating the special difficulties of particular situations is to be made and in the more general, comprehensive terms which are open to and appropriate for the CICT. We have faith that further progress in dealing with commodity problems can and will be made, by ways which will not do violence to the principles of sound economics—which none can ignore except at their peril—and yet will significantly reduce the impact of world market movements upon the economies of the less developed countries.

U.S. Delegation Submits Report on First Meeting of IMCO

Press release 269 dated April 17

Millard G. Gamble, chairman of the U.S. delegation to the First Assembly of the Intergovernmental Maritime Consultative Organization (IMCO) at London January 6-19, 1959, on April 17 transmitted to the Acting Secretary of State the official report of the delegation.¹

IMCO is the latest of the specialized agencies of the United Nations. It was established to perform functions for shipping somewhat similar to those of ICAO (International Civil Aviation Organization) for air transport. Although the IMCO convention was written in 1948 at the United Nations Maritime Conference at Geneva, it did not come into force until March 17, 1958, due largely to disagreement concerning whether the Organization should be limited to technical and navigational functions or whether it should also have economic responsibilities.

¹ Copies are available upon request from the Shipping Division, Office of Transport and Communications, Department of State, Washington 25, D.C.

The agenda of the January meeting, being the first, was limited to organizational matters such as the establishment and scheduling of meetings of subsidiary bodies, the nature and scope of the initial work program, budgetary problems and cost sharing.

The delegation's report points out that many decisions of the conference were taken in accordance with U.S. proposals, made either at the January conference or previously adopted by the IMCO Preparatory Committee at its meeting in June 1958. Among the important U.S. positions adopted were the limited initial work program, small staff and budget, agreement on a smaller U.S. cost-sharing base than is in effect in the United Nations, and the election of Japan, Italy, and West Germany to seats on the IMCO Council or governing body.

The delegation's report states that in only one instance was the delegation unable to achieve, either wholly or substantially, its objectives. In the case of the election of the 14 members of the Maritime Safety Committee, the delegation sought unsuccessfully to secure seats for Liberia, Panama, China, and Israel. In the case of Liberia and Panama, which became members of IMCO at the last moment and just as the IMCO Assembly was meeting, the United States and a number of other countries followed an interpretation of the IMCO convention which it has believed to be correct since 1948, i.e., that the first eight member countries to be represented on the Maritime Safety Committee must be those having an important interest in maritime safety and having under their registries the largest gross tonnage of shipping.

When it became evident that a number of delegations intended to contest this interpretation, the United States proposed a compromise whereunder the election would be postponed until the second IMCO Assembly meeting and a provisional body would perform the Committee's functions during the interim. According to the report, "The United States compromise proposal, advanced in an effort to postpone the issues until after mature consideration had been given, was defeated by a margin of two votes, but the United States gained great prestige in the eyes of many delegations by reason of this sincere effort to compose the differences of opinion and avoid dissension."

Current Actions

MULTILATERAL

Automotive Traffic

Convention on road traffic with annexes. Done at Geneva September 19, 1949. Entered into force March 26, 1952. TIAS 2487.

Notification by United Kingdom of application to: Gambia, March 25, 1959.

Convention concerning customs facilities for touring. Done at New York June 4, 1954. Entered into force September 11, 1957. TIAS 3879.

Notification by the United Arab Republic of application (with reservation) to: Syrian Province, March 26, 1959.

Customs convention on temporary importation of private road vehicles. Done at New York June 4, 1954. Entered into force December 15, 1957. TIAS 3943.

Notification by the United Arab Republic of application to: Syrian Province, March 26, 1959.

Postal Services

Universal postal convention with final protocol, annex, regulations of execution, and provisions regarding air-mail with final protocol. Done at Ottawa October 3, 1957. Entered into force April 1, 1959. TIAS 4202.

Ratifications deposited: Iceland, November 27, 1958; Jordan, March 2, 1959; Belgium (including Belgian Congo and Ruanda-Urundi), March 5, 1959; Finland, March 6, 1959.

BILATERAL

El Salvador

Agreement amending the Army Mission agreement of September 23, 1954, as extended (TIAS 3144 and 4146), and the Air Force Mission agreement of November 21, 1957 (TIAS 3951). Effected by exchange of notes at San Salvador March 16 and 31, 1959. Entered into force March 31, 1959.

France

Agricultural commodities agreement under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (68 Stat. 455; 7 U.S.C. 1701-1709), with memorandum of understanding and exchange of notes. Signed at Paris March 21, 1959. Entered into force March 21, 1959.

Ghana

Agreement providing for duty-free entry into Ghana and exemption from internal taxation of relief supplies and packages. Effected by exchange of notes at Accra April 9, 1959. Entered into force April 9, 1959.

Paraguay

Agreement amending the Air Force Mission agreement of October 27, 1943, as amended and extended (57 Stat. 1100, TIAS 2578 and 3339), and the Army Mission agreement of December 10, 1943, as amended and extended (57 Stat. 1184, TIAS 2578 and 3345). Effected by exchange of notes at Asunción February 20 and March 30, 1959. Entered into force March 30, 1959.

DEPARTMENT AND FOREIGN SERVICE

Confirmations

The Senate on April 8 confirmed the following nominations:

Ellis O. Briggs to be Ambassador to Greece. (For biographic details, see press release 199 dated March 18.)

Carl W. Strom to be Ambassador to Bolivia. (For biographic details, see press release 201 dated March 19.)

PUBLICATIONS

Recent Releases

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.

Basic Documents—UN Educational, Scientific and Cultural Organization. Pub. 6688. International Organization and Conference Series IV, UNESCO 35. x, 49 pp. 25¢.

A pamphlet containing the basic documents instrumental in the creation of UNESCO, a list of the member states, and information pertaining to the U.S. National Commission for UNESCO.

Foreign Service Institute. Pub. 6747. Department and Foreign Service Series 84. 24 pp. 15¢.

Catalog and general information concerning the Institute and its Schools of Foreign Affairs and Languages as of January 1959.

The Communist Economic Threat. Pub. 6777. European and British Commonwealth Series 53. 22 pp. 15¢.

The present publication is a condensation of the pamphlet entitled "The Sino-Soviet Economic Offensive in the Less Developed Countries" and includes the most recent data available regarding the Communist program of economic penetration.

NATO—The First Ten Years: 1949-1959. Pub. 6783. International Organization and Conference Series I, 40. 44 pp. 25¢.

A pamphlet describing the organization and accomplishments of NATO during the first 10 years of its existence.

Mutual Security in Action—Tunisia. Pub. 6784. Near and Middle Eastern Series 36. 12 pp. Limited distribution.

This fact sheet tells something of this North African nation, its people, the nature of the U.S. economic assistance program, and the objectives and accomplishments of that program to date.

Some Right and Wrong Thinking About American Foreign Assistance. Pub. 6790. Far Eastern Series 79. 13 pp. Limited distribution.

An address delivered by Thomas E. Naughten, Director, U.S. Operations Mission in Thailand, before the American Association at Bangkok, on January 27, 1959.

Air Transport Services. TIAS 4158. 7 pp. 10¢.

Agreement between the United States of America and Japan, amending agreement of August 11, 1952, as supplemented and amended. Exchange of notes—Signed at Tokyo January 14, 1959. Entered into force January 14, 1959.

Development Loan Fund—Use of Chinese Currency Repayments. TIAS 4162. 6 pp. 5¢.

Agreement between the United States of America and China. Exchange of notes—Dated at Taipei December 24, 1958. Entered into force December 24, 1958.

Weather Stations—Cooperative Program at Guayaquil. TIAS 4164. 3 pp. 5¢.

Agreement between the United States of America and Ecuador, extending agreement of April 24, 1957. Exchange of notes—Signed at Quito November 18 and December 30, 1958. Entered into force December 30, 1958.

Surplus Agricultural Commodities. TIAS 4165. 6 pp. 5¢.

Agreement between the United States of America and Finland—Signed at Helsinki December 30, 1958. Entered into force December 30, 1958. With related exchange of notes.

Surplus Agricultural Commodities. TIAS 4166. 3 pp. 5¢.

Agreement between the United States of America and Ecuador, amending agreement of June 30, 1958. Exchange of notes—Dated at Quito December 9 and 12, 1958. Entered into force December 12, 1958.

Surplus Agricultural Commodities. TIAS 4167. 3 pp. 5¢.

Agreement between the United States of America and Italy, amending agreement of October 30, 1956, as amended. Exchange of notes—Signed at Rome June 30, 1958. Entered into force June 30, 1958.

Utilities Claims Settlement Between the Unified Command and the Republic of Korea. TIAS 4168. 15 pp. 10¢.

Agreement between the United States of America and the Republic of Korea—Signed at Seoul December 18, 1958. Entered into force December 18, 1958. Operative retroactively July 1, 1957. With related exchange of letters.

Surplus Agricultural Commodities. TIAS 4169. 3 pp. 5¢.

Agreement between the United States of America and Spain, amending agreement of October 23, 1956, as amended. Exchange of notes—Signed at Madrid June 12 and July 30, 1958. Entered into force July 30, 1958.

Northwest Atlantic Fisheries. TIAS 4170. 5 pp. 5¢.

Protocol between the United States of America and Other Governments, amending convention of February 8, 1949—Dated at Washington June 25, 1956. Entered into force January 10, 1959.

Mutual Defense Assistance—Loan of United States Naval Vessels to Japan. TIAS 4171. 6 pp. 5¢.

Procès-verbal between the United States of America and Japan, relating to agreement of May 14, 1954—Signed at Tokyo January 6, 1959. With related exchange of notes—Dated at Tokyo January 6 and 9, 1959.

Agriculture. Wise Distribution of U.S. Food Surpluses in Latin America (Cabot) 636

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†261	4/13	Rubottom: "Inter-American Progress Through the OAS."
†262	4/13	Becker: "Comments on the Responsibility of States."
263	4/13	Chiefs of Mission Conference, San Salvador.
264	4/13	Murphy: Notre Dame Club of Chicago.
265	4/13	Note to U.S.S.R. on air corridors in Germany.
266	4/16	Presidents of European communities to visit U.S.
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268	4/16	Investment guarantee program (Sudan, Tunisia).
269	4/17	IMCO delegation report.
†270	4/17	Barrows: "U.S.-Vietnamese Cooperation—the ICA Program Since 1955."

*Not printed.

†Held for a later issue of the BULLETIN.

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THE FIRST TEN YEARS

April 4, 1959, marked the 10th anniversary of the signing of the North Atlantic Treaty, which links the United States with 14 other free nations for our mutual security and progress.

This new Department of State publication, prepared in conjunction with the anniversary observance, describes the aims and achievements of NATO in its first decade of existence.

The colorful 44-page pamphlet, prefaced by a message from President Eisenhower, contains a series of questions and answers on NATO's purpose, organization, financing, and relationship to other international organizations of the free world. The publication is illustrated with drawings and with an organization chart.

Copies may be purchased from the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C., for 25 cents each.

Publication 6783

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Bulletin

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THE DEPARTMENT OF STATE

Bulletin

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May 11, 1959

The Department of State BULLETIN, a weekly publication issued by the Public Services Division, Bureau of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, United Nations documents, and legislative material in the field of international relations are listed currently.

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Inter-American Progress Through the Organization of American States

by Roy R. Rubottom, Jr.
*Assistant Secretary for Inter-American Affairs*¹

It is most appropriate for the Council on World Affairs of Indianapolis to dedicate this program on April 14 to inter-American affairs. This occasion is one of hundreds of events which are taking place throughout the 21 Republics of America in celebration of Pan American Day. Through the years the attention to Pan American Day has grown in public support and participation to the point where increasingly it is becoming in itself a demonstration of the widespread feeling of good neighborliness and interdependence which exists among the peoples of this continent.

In keeping with the occasion I have chosen what seems to me to be the most suitable of all subjects discussed today, namely, the Organization of American States. As most of you may know, April 14 is the anniversary of the founding of the Organization of American States. It was on that day in 1890 that the First International Conference of American States successfully concluded its work in Washington and established the Commercial Bureau of the American Republics. This small agency has grown without interruption, bearing different names and going through various stages of development until it blossomed forth in what is now known as the Organization of American States.

It is an interesting fact that throughout most of its 69 years the Organization existed without benefit of any formally ratified treaty among the

American states. The present charter of the Organization was not drafted until 1948 and did not come into legal effect until 3 years later.

This simple fact seems to me to be highly significant to an understanding of the Organization of American States, for it demonstrates as well as anything else that the OAS is deeply rooted in the basic relationship among the American Republics. Its strength and its validity depend not so much upon what has been written down on paper, important as its treaty obligations have come to be. Its real significance is its expression of the underlying unity and desire for cooperation that has existed for more than a century among the independent countries of the New World.

The colonizers of the Latin American countries and those who settled the present United States came from different parts of Europe, spoke different languages, and demonstrated significant differences in their political and social institutions. However, under the influence of the New World they shared certain experiences which gave them a sense of common destiny. The people of both the English-speaking and Spanish-speaking countries of America evidenced a strong desire to build in the New World a better civilization than had existed in Europe, a civilization incorporating wider human freedom and better conditions of life. To achieve this objective they found it necessary to win their independence through revolution. This common experience was the genesis of the spirit of a unified America dedicated to the defense of its independence and the development of a better human life.

¹Address made before the Indianapolis Council on World Affairs at Indianapolis, Ind., on Apr. 14 (press release 261 dated Apr. 13).

The great Latin American Liberator, Simón Bolívar, sensed this destiny of the Americas. In 1826 he called representatives of the Latin American countries and the United States together in a meeting at Panamá. The treaty of confederation which this conference drafted was never ratified. Like other great leaders, Bolívar was far in advance of his fellow men in his thinking and understanding. However, the ideas he advocated at that time persisted throughout the century and in one form or another have found expression in the present OAS.

Guiding Principles of American Republics

During the first period of the life of the Organization of American States a major achievement was the development of certain principles which have come to guide the relations among the American Republics. These principles are not extraordinary for their content, since, like other important moral precepts, they have been expressed and advocated on many occasions. To illustrate, there is the principle that all states belonging to the OAS, regardless of their respective size, are juridically equal. Another principle now incorporated in the inter-American rule of law is that states must settle their disputes by peaceful means. This simple rule, which is reflected in the aspirations of all mankind, has perhaps been given more effective application among the American Republics than anywhere else in the world.

Perhaps the most important single principle which has been developed through the inter-American system is that of nonintervention. This logical corollary of the idea that all states are equal provides that no state may intervene in the internal or external affairs of any other state. The intervention by strong governments in the affairs of weaker nations had long been an accepted international practice. The United States had resorted to it frequently in Latin America during the late 19th and early 20th centuries. The resentment of the Latin American countries against such acts, and their constant fear that they would be repeated, almost threatened the very existence of an inter-American regional system. When in 1933 the United States accepted the principle of nonintervention, a new era of mutual confidence

and cooperation opened up before the American Republics.

Let me speak as clearly as possible at this point. This very doctrine, negative sounding in name, has contributed positively to the strengthening of democracy and freedom in the hemisphere. The record speaks for itself.

As the clouds of World War II darkened the horizon in the late thirties, the American Republics drew closer together. They established the system of consultation on matters of mutual interest. They intensified their cooperation in practical programs dedicated to the maintenance of the security of the hemisphere and the promotion of better economic, social, and cultural conditions of life.

It was, therefore, with the benefit of a long and practical experience that the delegates of the American Republics meeting in Bogotá in 1948 set forth in the charter which they drafted for the OAS the statement that its purpose was to strengthen the peace and security of the continent and to promote its economic and cultural development. Let us look for a moment at how the OAS is meeting its responsibilities with respect to these two fundamental purposes that so vitally affect the welfare of each of its 21 member states.

Cooperative Action for Regional Defense

The security of the American Continent has long been a major objective of the United States. It was the objective of one of the first great pronouncements of our foreign policy, namely, the Monroe Doctrine. For more than a century after the expression of the Monroe Doctrine, the United States assumed a major responsibility for assuring the continued independence and security of the countries of the New World.

Beginning with World War II, however, it became clear to the United States and its neighbors in Latin America that the responsibility for protecting the security of the Western Hemisphere had to be shared by agreement and cooperative action among all the independent republics. This idea received effective expression during World War II. It was finally incorporated in the Treaty of Rio de Janeiro signed in 1947, which sets forth the basic security provisions of the OAS. This treaty was the first of the regional defense treaties entered into by the United States, and in im-

portant respects it served as a model for the North Atlantic Treaty and later regional pacts.

Under the Rio Treaty an armed attack against any American state is considered an attack against all American states and all are obligated to go to the assistance of the victims. Moreover, either an armed attack or any other act or threat of aggression that menaces the political independence or territorial integrity of an American state can justify consultation among the 21 member states to agree upon the collective measures that should be taken.

The Rio Treaty, therefore, provides a firm foundation for the solidarity of the American Republics in the defense of the continent. Upon this foundation rests the policy of the U.S. Government in its military cooperation with the Latin American countries. A major feature of this cooperative program involves U.S. military training missions. Although some of these missions were instituted as far back as 1925, their functions now are related to preparations for hemispheric defense under the Rio Treaty. Currently there are missions in 18 countries—in each instance at the request of the host government. They serve in a strictly advisory capacity and do not become involved in local military operations or perform command functions.

The Rio Treaty makes no provision for any standing forces under the control of the OAS. It does, however, establish the responsibility of every American Republic to cooperate for the defense of the continent. Through the Inter-American Defense Board plans for continental defense are worked out that would form the basis for military cooperation in time of need. This need could arise at some unforeseen moment. With the issues so clearly drawn between the Communist world and the free world, it is reassuring to know that we have such close security ties to prevent aggression against any country in the hemisphere.

The Rio Treaty does not disregard the problem of maintaining peace and security within the continent as well as security from outside attack. The treaty has now been brought into active operation four times with respect to disputes between American states. In all cases the prompt and energetic action of the OAS quickly terminated such fighting as had broken out and led to

an eventual peaceful solution of the issue which had prompted the conflict.

Honduras-Nicaragua Border Dispute

The most recent of these cases was a longstanding border dispute between Honduras and Nicaragua 2 years ago. Fighting had actually broken out along the disputed section of the frontier when both Governments brought the case to the OAS and called for the application of the Rio Treaty.² The Council, in accordance with the procedures set forth in the treaty, called for a meeting of foreign ministers but immediately took certain decisions provisionally, as it is authorized to do. An investigating committee of five countries was appointed and within 24 hours was on its way to the scene of the conflict. This group visited both countries and immediately brought the influence of the entire inter-American community to bear upon the contending parties. A cease-fire was first arranged. With the aid of military advisers provided by various member governments of the OAS, a quick analysis of the deployment of troops on both sides of the border was made and a plan was drawn up to provide for the withdrawal of forces on both sides. After 2 days of intensive negotiation with both parties, the OAS committee was able to secure the agreement of each to that plan.

After the fighting had stopped and a practical system had been established to prevent a further contact between the military forces, the situation soon reached the point where more serious political negotiations could be encouraged. With the continued encouragement of the OAS, particularly in the Council meeting in Washington, a pact was drawn up between the two Governments under which they agreed to take their dispute to the International Court of Justice,³ where the case is now being litigated. Thus, through the prompt action of the OAS, in accord with sacred treaties, an incipient inter-American war had been nipped in the bud.

A few months ago, when both Governments faced problems arising out of the activities of political refugees in each country, the Govern-

² For background, see BULLETIN of May 20, 1957, p. 811.

³ *Ibid.*, Aug. 12, 1957, p. 273.

ments of Honduras and Nicaragua resorted again to the spirit of the OAS and its peaceful solution of international disputes. On February 26 they signed in the presence of important dignitaries of the OAS a new treaty prescribing measures under which they would attempt to control political refugees and minimize the problems to their international relations which might result from their activities.

Present Tensions in Caribbean Area

It has been said with justice, I believe, that, as a result of the repeated demonstrations given by the American Republics of their desire to maintain peace and security and the experience showing that the OAS provides effective means for stopping disputes and promoting peaceful settlements, it is now inconceivable that war should break out between American Republics. I believe this to be true. However, I would be remiss if I did not say that the present situation of tension among countries in the Caribbean area puts the OAS again to a severe test of its capacity to maintain peace and security.

As in former years, the present international tensions of the Caribbean are directly related to the activities of political exiles and refugees who, while enjoying territorial asylum in foreign countries, direct their efforts toward overthrow of the governments in their own countries. Such situations are neither new nor confined to any one political group. They have at various times been conducted by those labeled as "dictator haters" and those labeled as "dictator mongers."

Under various treaties, notably the charter of the OAS and the Inter-American Convention on the Rights and Duties of States in the Event of Civil Strife, the American Republics are obligated to prevent the use of their territory as a base for armed bands attempting the overthrow of other recognized governments and are enjoined from any form of intervention in the internal affairs of other countries. They are furthermore obligated under the Treaty of Rio de Janeiro to go to the assistance of any country that suffers an armed attack.

Under the circumstances I cannot believe that any American state would place in jeopardy the hard-won achievements of the inter-American system in the maintenance of peace and security by permitting violations of these basic treaty obli-

gations to take place. This view, I am happy to say, is shared by the preponderant weight of public opinion throughout the American Republics. Experience has demonstrated that such interventionist efforts not only violate the principles of the inter-American system of peace and security; they are also self-defeating. As that outstanding Latin American statesman and former Secretary General of the OAS, President Alberto Lleras Camargo of Colombia, recently said,

Every effort at international intervention has permitted governments which violate human rights to arouse among their peoples a wave of nationalism which cloaks, protects, and consolidates violations that are carried out against the essential rights of the human person.

Democracy must come from within each state and people; it cannot be imposed from outside.

In various quarters the question has been raised as to why the OAS has not taken up the present situation of international tension in the Caribbean with a view to restoring a greater degree of international confidence in that area. The answer is simple. Excellent though the inter-American procedures for the maintenance of peace and security are, there exists an important gap in the powers of the OAS. In order to invoke the Treaty of Rio de Janeiro either an actual attack or threat of aggression must exist, or the territory or sovereignty or political independence of an American state must be affected by a fact or situation endangering the peace and security of America. The Council of the OAS is not empowered to take cognizance of an international dispute except by invoking that treaty. The Inter-American Peace Committee, the other principal agent of the OAS in the field of peaceful relations, has no authority to take an initiative in regard to a controversy between states; it must wait until both parties agree to bring their dispute before it. Thus the OAS is in a sense left impotent in the face of international tension and must await the outbreak of a controversy before it can exercise even a moderating influence. I believe this situation merits the serious study of the American governments at this stage, with a view to deciding whether some further improvement may not be advisable in the inter-American peace system, of which we are rightly so proud.

Role of OAS in Economic Affairs

The structure, and certainly the operating techniques, of our regional organization should be kept

under constant review. New challenges and opportunities regularly appear before us. This has been particularly true in the last few years with respect to economic affairs. It has been customary in some quarters recently to question the role of the OAS in economic affairs, asking why it has not solved economic problems as effectively as it has solved the problem of maintaining peace and security. Let's look at the record.

The very fact that the OAS has succeeded in developing so firm a base for peace and security among the American nations constitutes an important prerequisite to economic progress in the Americas. Conflicts and wars amongst the American states would gravely obstruct efforts to improve their economies. Conversely, every time a conflict is resolved and confidence in the peace system of the Americas grows, it becomes possible for the American nations to devote their energies and resources more fully to constructive peaceful development.

Furthermore, the OAS has in fact carried out important activities in the economic and social field which are often overlooked and sometimes neglected. The technical cooperation program of the OAS, planned by and carried out under the supervision of the Inter-American Economic and Social Council, is a modest but significant step contributing to the training of badly needed technical personnel throughout the American Republics. This program is capable of expansion to any proportions the governments wish consistent with the realities of effective administration.

The Inter-American Economic and Social Council and the Department of Economic and Social Affairs of the Pan American Union, which provides the technical secretariat, have produced important analyses of inter-American economic problems.

In the economic and social field many important activities are being carried out through the specialized organizations of the OAS, such as the Pan American Health Organization, the Inter-American Institute of Agricultural Sciences, and the Pan American Institute of Geography and History, to name a few. The expansion of the activities of the Inter-American Institute of Agricultural Sciences was one of the major recommendations of the Inter-American Committee of Presidential Representatives, called at the initiative of President Eisenhower in 1956-57, and now

awaits appropriate action by the member governments.

Operation Pan America

The past year, however, has seen a concentrated effort to broaden the scope of inter-American cooperation in economic fields through the Organization of American States. An opportunity to consider these problems in the broadest continental sense was given by the initiative of the President of Brazil. Last May, President Kubitschek wrote to President Eisenhower⁴ concerning the desirability of reviewing the strength of our hemisphere relations and determining what measures, particularly in the economic field, will be desirable to give added vitality to the solidarity and cooperation of the American Republics. As a result of President Eisenhower's cordial response and the favorable reaction that was evoked throughout the other American nations, a renewed effort to work out additional measures of economic cooperation was launched. The Brazilian President gave this effort the name of "Operation Pan America."

Last September the Foreign Ministers of the American Republics meeting informally in Washington agreed to establish a Special Committee under the aegis of the OAS to work out the further measures of economic cooperation under the broad concept of Operation Pan America.⁵ This Committee has met once in Washington and will meet at the end of this month again in Buenos Aires.

As it now appears, there will emerge from this Buenos Aires conference a number of important decisions covering a wide variety of economic activities. They will in no sense pretend to resolve all economic problems of the hemisphere. They should, however, constitute a concrete and positive achievement in two respects: (1) to reassure the peoples of all the American Republics of the sincere and strong desire of all the American states to work together for the economic progress of the entire OAS family; and (2) to establish the structure of a more effective cooperation with respect to certain basic problems.

First, the OAS will undertake a broader and

⁴ For text of President Kubitschek's letter and President Eisenhower's reply, see *ibid.*, June 30, 1958, p. 1090.

⁵ For text of communique, see *ibid.*, Oct. 13, 1958, p. 575.

more intensified program of analyzing with individual countries the specific economic problems they face at the present stage of development. Each Latin American country which wishes to avail itself of this service will thereby be enabled to obtain a clearer and better picture of the nature of its problems and, therefore, of the steps it should take to encourage the forces of economic progress to get under way more rapidly.

Second, the American nations will have at their disposal a new financial institution, the charter of which has been drafted during the past 3 months by a special committee convened for that purpose by the Inter-American Economic and Social Council.⁶ One of the most important functions of the new institution will be to assist the member governments in formulating their economic plans and in preparing specific projects that will merit sympathetic consideration for financing.

Third, additional sources of both public and private capital will become available. The first and most significant step forward in this respect is the establishment of the Inter-American Development Bank, to which I have just referred. It will have initially a total capital of \$1 billion, which may be increased to \$1.5 billion. Its exclusive attention to Latin America will assure the most sympathetic possible consideration of the needs of those countries for additional public capital.

Moreover, as a result of the deliberations of the Special Committee, additional emphasis will be placed upon the study of methods for encouraging the wider investment of private capital in the Latin American area. This large and difficult problem is a constant source of interest and concern on the part of all governments that desire to promote economic progress in Latin America. With the strains upon the budget of the United States because of its many commitments throughout the world in the interest of strengthening freedom and independence, and with stringent budget situations in many of the Latin American countries, the investment of capital needed for economic growth in Latin America, or anywhere else, must depend in large measure upon the great resources of private enterprise. Some Latin American countries have made notable progress in this respect. That progress can be accelerated by further attention to the concrete

problems of private investment, and in that effort the OAS will lend renewed and extended assistance to the member governments, although the responsibility necessarily rests on these governments.

Fourth, as a result of the studies of economic cooperation through the OAS during the past year, it is planned to hold periodic conferences in which member governments will be represented by their top economists. The function of these conferences will be to review the economic development in each country and, by an exchange of views at this high level of economic competence and skill, to obtain clearer ideas on how specific problems can be dealt with and how progress can be maintained.

Problems for Future Attention

The foregoing does not in any sense exhaust the ideas and suggestions which would be considered by the Special Committee at its meeting in Buenos Aires at the end of this month. Nor does it in any sense, as I have indicated, exhaust the problems that face the American nations. Several problems must necessarily be left to the future and the continuing positive attention of the member governments.

For example, the problem of commodities remains a major one affecting the economic life of the American Republics. Dependent as they are upon export of foodstuffs and raw materials to the world markets, and principally the United States, the Latin American countries are highly sensitive to the fluctuations of marketing conditions, particularly prices of the products they sell. Excessive fluctuations in these prices create problems both for selling and purchasing countries. Yet the question of how to curb these excessive fluctuations remains one of the most difficult in the whole field of international economic cooperation. At this stage the OAS has encouraged the establishment of study groups on certain specific commodities and will continue to encourage the search for practical measures that will help meet this all-important problem.

The movement for a more effective treatment of economic problems through the OAS is in full swing. The present stage of developments in this respect presents a justifiable cause for optimism and renewed confidence in our inter-American regional system. Economic problems are in many

⁶ *Ibid.*, May 4, 1959, p. 646.

respects more complex than any others which the OAS has attempted to handle heretofore. To cite only one illustration, it must be borne in mind that problems of international trade can rarely be approached on an exclusively regional basis. Even a problem such as that of the coffee trade, which is predominantly related to Latin America, cannot be dealt with satisfactorily without taking into account the part which other areas of the world also play. Thus regional efforts must be coordinated with those of a worldwide scope in many cases.

In fact the efforts of any regional organization in any field of activity must be related to and integrated with the worldwide efforts of the member states, and others, who are joined in the United Nations. The great advantage of the Organization of American States is that it draws upon the special tradition of cooperation and the experience of common action that have been developed in this hemisphere. Regional problems can be approached with maximum understanding both of the nature of the problems and the methods for resolving them. In no other area has this been better demonstrated than in the maintenance of peace and security, where prompt action by the regional organization, working in the context of a long historical development of peaceful and legal methods for resolving disputes, has borne particularly good fruit.

These efforts in no way conflict with those of the United Nations. The unanimous view of the American states in that respect is evidenced by their statement in the charter of the OAS that the Organization is a regional agency within the United Nations and that nothing in the charter of the OAS shall be construed as impairing the rights and obligations of the American states under the charter of the United Nations.

The Organization of American States represents an experience perhaps unique in history of the gradually greater sharing of responsibility regarding basic problems among a group of countries, ranging from the smallest to the largest and most powerful. A half century ago the United States assumed for itself the responsibility for maintaining peace in this hemisphere. We now share that responsibility with the other members of the OAS. In the fields of economic affairs we are increasingly working out with our sister republics the mechanisms that will enable us

likewise to share the responsibility for coping with problems directly affecting the basic economic welfare of all the member states. This process offers to all the American states a great opportunity to help build a free world based upon mutual respect and cooperation.

The OAS is, therefore, both a practical reality and a symbol of an ideal toward which we are striving in our international relationships. It has significance far beyond its immediate area of application. It is the antithesis of the imperialistic subordination of smaller states which is practiced by the Communist powers. It is an instrument of inter-American cooperation which we are gradually perfecting. As this is done, we will increase the faith of peoples everywhere in their own ability to achieve with dignity and independence those two objectives so deeply rooted in the life of the American Continent: the preservation of freedom and the development of a better life for mankind.

U.S. Ambassadors Meet at Santiago

The Department of State announced on April 24 (press release 283) that a conference of the U.S. Ambassadors from the 10 countries of South America will be held at Santiago, Chile, on May 7, 8, and 9. Ambassadors from U.S. missions in Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay, and Venezuela will attend.

Officers of the Department of State attending the conference will be headed by Deputy Under Secretary Loy W. Henderson and will include Roy R. Rubottom, Jr., Assistant Secretary for Inter-American Affairs, and Ambassador John C. Dreier, U.S. representative on the OAS Council. Rollin S. Atwood, ICA Regional Director for Latin American Operations, and G. Lewis Schmidt, Acting Assistant Director for Latin America of the U.S. Information Agency, will also participate.

The meeting, like that held at San Salvador from April 9 to 11 and attended by the U.S. Ambassadors in the 12 countries of the Caribbean and Central American area,¹ will provide an opportunity for an exchange of views on current political and economic developments in the area in their relation to U.S. policy.

¹ BULLETIN of May 4, 1959, p. 634.

Comments on the Responsibility of States

by Loftus Becker
*Legal Adviser*¹

The relations between the United States and Latin America are close. They are close not only because of geography but because of common ideals and aspirations for a fuller life, lived in peace and decency, which have inspired the peoples of this hemisphere. Our mutual relations in recent years have witnessed our joint effort in defeating common enemies and in establishing our mutual security against future contingencies.

These recent years have also witnessed increasingly closer economic cooperation between the United States and Latin America to meet those pressing needs of the present and future which have been impressed upon the public imagination through the phrase "economic development." There is no doubt that the desire on the part of the peoples of the hemisphere for physical betterment and, through it, a richer life is the driving force in the Americas today.

This is as it should be. The magic of science, technology, and industry, together with the rising skills and educational levels of our peoples has brought home to all the fact that poverty and hopelessness no longer need be tolerated because nothing can be done. Our peoples know that these things need not be the "way of the world," that they can be diminished and abolished through the cooperative efforts of human beings. Human beings, acting cooperatively, can apply science, technology, and industry to the process of capital formation so as to increase the productivity of

human beings—increase their output of the things that they need to eat, to wear, to house themselves, to educate themselves, and to enjoy a richer mental and spiritual life.

There are many ways in which the necessary capital can be accumulated and put to work efficiently to achieve these ends. The United States and the Latin American Republics have testified very recently to their conviction that all avenues which lead to the formation and application of capital to the needs of economic development must be used, to the exclusion of none.

On April 8, 1959—just 6 days ago—after 3 months of negotiation, a Specialized Committee convened by the Inter-American Economic and Social Council, which is the principal economic organ of the Organization of American States, opened for signature the Final Act resulting from its deliberations, including as a part thereof the draft of an agreement for the establishment of an Inter-American Development Bank.² The purpose of the Bank, with an authorized capital stock and a fund for special operations totaling \$1 billion, is "to contribute to the acceleration of the process of economic development of the member countries, individually and collectively." To implement this purpose, the draft articles of agreement make clear that, among its functions, the first and foremost function of the Bank is "to promote the investment of public and private capital for development purposes." There could be no clearer recognition that in the process of economic development there is a need for increasing amounts of both public and private capital in

¹ Address made before the Inter-American Bar Association at Miami, Fla., on Apr. 14 (press release 262 dated Apr. 13).

² BULLETIN of May 4, 1959, p. 646.

order to achieve the economic development which is so necessary.

It has been truly said that law in a democracy exists for the sake of the people's interests that may be vindicated and protected thereby. In view of the overriding public interest which requires economic development through public and private investment for development purposes, nothing we lawyers do can be more important than to foster this overriding public purpose, and nothing that we can refrain from doing is more important than to avoid interfering with the accomplishment of this public purpose. Just as we facilitate public and private investment through the creation of institutions such as the Inter-American Development Bank, which will be able to lend money to both public and private organizations for economic development purposes, so we should avoid undercutting economic development through so-called legal principles which create a climate not conducive to economic development.

I am not here taking issue with the right of any country to take private property for public purposes upon payment of just compensation. The right of a country to do that is not and never has been an issue. The Constitution of the United States confirms both the right of the Government of the United States to take private property for public use and its obligations to pay just compensation when it does so. This is in accord with international law. What I am talking about is an effort which has been made by some to establish legal principles which can amount to a state's taking private property without just compensation. In this connection I should like to discuss with you some recent events at the 1958 meeting of the Inter-American Juridical Committee in Rio de Janeiro, which, in my opinion, have been unhelpful in achieving our common objectives.

Principles Stated by Juridical Committee

The Tenth Inter-American Conference held at Caracas in 1954 adopted a resolution reading as follows:

To recommend to the Inter-American Council of Jurists and its permanent committee, the Inter-American Juridical Committee of Rio de Janeiro, the preparation of a study or report on the contribution the American Continent has made to the development and to the codification of the principles of international law that govern the responsibility of the State.

The resolution was considered by the Inter-American Juridical Committee at its 1958 meeting. The Committee recommended that the American Governments "incorporate into an appropriate convention, statement, or similar instrument the principles that should govern the international responsibility of the state." On page 8 of the Committee's report the following statement appears:

With respect to this, we believe that such an instrument might include, among others, the following principles that have been accepted by a majority of our countries, and which, in our opinion, form part of Latin American international law as well as, in certain aspects, of American international law.

Since the report of the Committee will next be considered by the Inter-American Council of Jurists in August of this year and possibly by the next Inter-American Conference, it may be useful to discuss some of the alleged principles. One of them is the following:

The state is not responsible for acts or omissions with respect to aliens except in those cases where it has, under its own laws, the same responsibility toward its nationals.

It seems clear that, if that alleged principle is accepted and a state expropriates property of an alien, it is not obligated to pay compensation therefor if under its laws it is not obligated to pay compensation with respect to expropriated property of its national. This is, of course, contrary to generally accepted principles of international law which require a state to pay compensation for the taking of private property of aliens. For example, in an unanimous decision of the General Claims Commission, United States and Mexico, under the convention of September 8, 1923, it was stated in the claim of the Melzer Mining Company that:

It is unnecessary to cite legal authority in support of the statement that an alien is entitled to compensation for confiscated property. (*Opinions*, 1929, pages 228 and 233.)

Consequently the fact that the domestic law may or may not provide compensation is wholly irrelevant. The supremacy of international law over domestic law is clearly established by decisions of the Permanent Court of International Justice. In the case of the *Free Zones of Upper Savoy*, the court held that ". . . it is certain that France cannot rely on her own legislation to limit the scope of her international obligations. . . ."

(Series A/B number 46 (1932).)³ The Permanent Court held similarly in its opinion on *Treatment of Polish Nationals in Danzig* that "a State cannot adduce as against another State its own Constitution with a view to evading obligations incumbent upon it under international law. . . ." (Series A/B number 44 (1932).)⁴ See also additional authorities on this point in the Report of the Agent for the United States in the Shufelt claim (United States) against Guatemala (U.S. Government Printing Office, 1932, pages 77 to 81 and 599 to 602; also the decision of the arbitrator, pages 851 and 871).

In the light of the foregoing it is clear that the principle as stated by the Juridical Committee would run counter to accepted principles of international law unless it is amended by adding language along the following lines: ". . . except where the treatment of the alien is in contravention of accepted principles of international law." That language is patterned after article 3 of the Convention Relative to the Rights of Aliens signed by 15 American Republics at Mexico City in 1902, which provided for the presentation of claims in diplomatic channels in cases involving a denial of justice "or of evident violation of the principles of international law."

Another alleged principle is stated by the Inter-American Juridical Committee in the following terms:

The state is not responsible for damages suffered by aliens as a result of fortuitous [unforeseen] events, among which are included acts of insurrection and civil war.

If this paragraph could properly be interpreted, or limited, to mean that a state is not responsible for so-called war damages, that is, damages incident to the conduct of military operations, it would be acceptable. However, as drafted it would seem to exclude responsibility for losses or damages sustained from the requisitioning of property of aliens by the constituted authorities, or by revolutionary forces which are successful, for which losses the state is regarded as responsible under generally accepted principles of international law. (See "Harvard Research in International Law," 23 *American Journal of In-*

ternational Law, Supplement, April 1929, pages 195 and 196; Nielsen, *International Law Applied to Reclamations*, pages 31 and 32; Ralston, *The Law and Procedure of International Tribunals*, pages 343 and 344.)

We now come to the final alleged principle of international law as asserted by the Juridical Committee in the following terms (pages 8 to 9):

The responsibility of the state, insofar as judicial protection is concerned, should be considered fulfilled when it places the necessary national courts and resources at the disposal of aliens every time they exercise their rights. A state cannot make diplomatic representations in order to protect its nationals or to refer a controversy to a court of international jurisdiction for that purpose, when the said nationals have had available the means to place their case before the competent courts of the respective state.

Therefore:

a. There is no denial of justice when aliens have had available the means to place their cases before the competent domestic courts of the respective state.

b. The state has fulfilled its international responsibility when the judicial authority passes down its decision, even though it declares the claim, action, or recourse brought by the alien to be inadmissible.

c. The state has no international responsibility with regard to the judicial decision, whatever it may be, even if it is not satisfactory to the claimant.

d. The state is responsible for damages suffered by aliens when it is guilty of a denial of justice.

Pact of Bogotá

That part of the draft relating to such matters as diplomatic protection, the exhaustion of remedies, and denial of justice is of considerable importance in the inter-American field of foreign relations and the encouragement of foreign investments. Apparently the principles announced are largely the outgrowth of article VII of the Pact of Bogotá, which provides as follows:

The High Contracting Parties bind themselves not to make diplomatic representations in order to protect their nationals, or to refer a controversy to a court of international jurisdiction for that purpose, when the said nationals have had available the means to place their case before competent domestic courts of the respective state.

The Argentine Republic signed the Bogotá Pact with a reservation that it did not adhere to several articles, including article VII. The United States also signed with the following reservation:

The Government of the United States cannot accept Article VII relating to diplomatic protection and the exhaustion of remedies. For its part, the Government of

³ II Hudson, *World Court Reports*, pp. 508 and 561.

⁴ *Ibid.*, pp. 788 and 804.

the United States maintains the rules of diplomatic protection, including the rule of exhaustion of local remedies by aliens, as provided by international law.

Although the pact was signed some 11 years ago, only 9 of the 21 American Republics have ratified it. With respect to that situation, we may refer to the decision of the International Court of Justice in the *Colombian-Peruvian Asylum* case. I quote from the majority decision of the Court (page 277):

It is particularly the Montevideo Convention of 1933 which Counsel for the Colombian Government has also relied on in this connexion. It is contended that this Convention has merely codified principles which were already recognized by Latin-American custom, and that it is valid against Peru as a proof of customary law. The limited number of States which have ratified this Convention reveals the weakness of this argument. . . .

The International Court apparently was not impressed, although the 1933 convention had been ratified by 11 American states. The Pact of Bogotá has been ratified by only 9 states. Is there any justification, therefore, for contending that the provision quoted from the Pact of Bogotá represents "American international law" or "Latin American international law," when a considerable majority of the American states have not ratified the pact?

The OAS Charter Provision

In contrast, at the same conference at Bogotá, held in 1948, the charter of the Organization of American States was signed, article 5 of which provides, in part, as follows:⁵

The American States reaffirm the following principles:

- a) *International law* is the standard of conduct of States in their reciprocal relations;
- b) International order consists essentially of respect for the personality, sovereignty and independence of States, and the faithful fulfillment of obligations derived from treaties and other *sources of international law*. . . .

Article 7 provides:

Every American State has the duty to respect the rights enjoyed by every other State in accordance with *international law*.

I point out that nothing is said in the charter of the Organization of American States about "American international law"—much less "Latin

⁵ *Treaties and Other International Acts Series 2361*, pp. 27 and 28 (italics added).

American international law." The charter employs the term "international law" in unmodified form, meaning customary international law as it is generally understood. It does not refer to some alleged regional concepts. It is important to stress the fact that the charter was signed and ratified by each and every one of the 21 American Republics, and as far as I am aware it is the latest unanimous pronouncement of the American Republics regarding the matter.

While paragraph VI(d) of the Juridical Committee's report, which I have just quoted at length, declares that a "state is responsible for damages suffered by aliens when it is guilty of a denial of justice," that paragraph is for all practical purposes nullified, insofar as it relates to judicial proceedings in which an alien may be a plaintiff or defendant, by the preceding paragraphs, which provide, in effect, that the state has fulfilled its international responsibility when a court hands down its decision, "whatever it may be."

There is an anachronistic air which hovers about the recommendations of the Inter-American Juridical Committee. It is an air which counnotes fear rather than confidence. The Juridical Committee would have us believe that the countries of Latin America are unable to accept the public and private investments necessary to their economic development because of a lack of confidence that they can protect them.

Doctrines such as those which the Juridical Committee has enunciated are out of tune with the needs and aspirations of the peoples and states of Latin America. They undercut the work which is being done to promote public and private investments, as, for example, the new Inter-American Development Bank. They are a throwback to a bygone era when states were not concerned with the encouragement of foreign investment or with their ability to promote the lot of the common man. After all, the lot of the common man within a state is the primary responsibility of that state. Those with responsibility within a state—whether officials or the intelligent populace—need, I submit, to concern themselves with providing a safe environment for the investment of foreign capital and industry. Irresponsible statements by jurists within the American Republics in the direction of avoiding responsibility can have only an opposite effect.

International Commerce and the Paths to Peace

*Remarks by President Eisenhower*¹

The coming together, anywhere, of businessmen from more than 50 countries—men of high competence and common purpose—must surely benefit them all. It proves again that the whole can be greater than the sum of its parts. That this Congress should have taken place in the United States is a circumstance of which I and all my countrymen are proud indeed. We trust you have sensed the warmth and sincerity of your welcome here.

Some of you perhaps are visiting us for the first time. Others are old friends. In either case, while you are here we want you to see all you can of our country because in gaining an understanding of a region and its people there is no substitute for personal visitation and observation. You will not be pleased with everything you see. Neither are we. But you will see us as we are; you will form your own opinions, and you will gain in knowledge and in understanding. Along this road—and it is of course a two-way road—lies international understanding and the hope for peace.

The theme of this 17th biennial Congress, "Today's Challenge to Businessmen—Their Responsibilities in Domestic and World Affairs," is of universal interest. Probably every one of the subjects you have considered so carefully in your sessions is also a concern of governments. Sound money, high employment, rising standards of living, the movement and marketing of goods and services—all these and more present problems that face both men of business and men of government. And I break no government security when I say we hope that businessmen will come up with some of the solutions.

Your actions, your discussions, your decisions—not only in this Congress but more importantly in your day-to-day commerce with each other—hold the free world's hope for progress toward greater unity and firmer mutual strength. For our strength must come from growth. Perhaps you will permit me to repeat to you what I said

¹ Made before the International Chamber of Commerce at Washington, D.C., on Apr. 23 (White House press release).

to another group meeting here in Washington just 10 days ago.² I said:

. . . the free nations urgently need economic growth and the free communication of ideas. . . .

We are challenged to prove that any nation, wherever it is, whatever its strength, can prosper in freedom, that slavery is not necessary to economic growth even in the atmosphere of a cold war of conflicting ideologies. We will have to show that people need not choose between freedom and bread; they can earn both through their own efforts. We must prove . . . that in providing for man's material needs private enterprise is infinitely superior to Communist state capitalism.

So I believe that this is today's challenge to businessmen: the challenge to prove that the free-market economy which the International Chamber of Commerce has championed so long and so well can outproduce any other kind of economy known to man.

Since the days of Marco Polo the march of civilization has tramped down the trade routes of the world. Commerce between peoples moves more than products. It distributes ideas and technologies. It develops mutual understandings and cooperative efforts toward common goals.

And never has this been truer than it is today. The old saying was that "trade follows the flag." Today, in a very definite way, "the flag follows trade." But the flag of which I speak is an international banner, that of freedom and peace.

As you return home from these meetings to plunge once again into your business activities, I trust that you will hold firmly in your programs and policies to the basic thought that the trade routes of international commerce are also the paths to peace.

Thank you—good fortune and goodby.

World Trade Week, 1959

A PROCLAMATION¹

WHEREAS commerce among the nations contributes to the economic stability and progress of the United States and its trading partners; and

WHEREAS international trade provides regular and direct lines of communication between the peoples of the

¹ For text of President Eisenhower's remarks before the Advertising Council on Apr. 13, see BULLETIN of May 4, 1959, p. 620.

² No. 3286; 24 *Fed. Reg.* 3265.

world, thus stimulating mutual respect and understanding which are the groundwork of peace; and

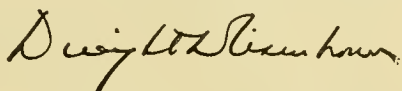
WHEREAS growing competition in international trade requires that greater effort be made in this vital area:

NOW, THEREFORE, I, DWIGHT D. EISENHOWER, President of the United States of America, do hereby proclaim the week beginning May 17, 1959, as World Trade Week; and I request the appropriate officials of the Federal Government, and of the State and local governments, to cooperate in the observance of that week.

I also urge business, labor, agricultural, educational, and civic groups, as well as individual citizens, to observe World Trade Week with gatherings, discussions, exhibits, ceremonies, and other appropriate activities designed to promote continuing awareness of the importance of world trade to our economy and to our relations with other nations.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this twenty-second day of April in the year of our Lord nineteen [SEAL] hundred and fifty-nine, and of the Independence of the United States of America the one hundred and eighty-third.



By the President:

CHRISTIAN A. HERTER,
Secretary of State.

Secretary Acknowledges Greetings of Department Personnel

*Remarks by Secretary Herter*¹

Press release 280 dated April 22

All I can say is that this is completely unexpected and I can't tell you how touched I am. As one who began public life in the State Department, it is, of course, a tremendous thrill to be allowed to feel that I can now perhaps help all of us who are working as a team together in the tremendously important job we all have to try

¹ Made informally on Apr. 22 at the main entrance of the Department of State building, where the Secretary was greeted by personnel of the Department following his return from his swearing-in ceremony at the White House.

to keep this country at peace and the world at peace.

I only wish I had time now to shake hands with every one of you. I'm sorry I can't. But I do want you to know that my heart is very warm at this moment, and I am hoping in the days to come I will have a chance to see each of you and thank you all for this very fine reception.

Thank you.

Mr. Dulles Becomes Special Consultant to the President

White House press release dated April 23

The President on April 23 attended the swearing-in ceremony of John Foster Dulles as Special Consultant to the President. Mr. Dulles will serve in this capacity with Cabinet rank. The ceremony took place at Walter Reed Hospital.

In his letter accepting Secretary Dulles' resignation as Secretary of State,¹ the President requested Mr. Dulles to serve as a consultant to him and to the State Department in the field of international affairs to the extent that his health will permit.

After Mr. Dulles had taken the oath of office, the President told him:

Your willingness to continue to contribute your abundant talents and unique experience to the service of the United States and the free world is but one more example of your magnificent spirit and devotion to the Nation's welfare.

It is highly gratifying not only to myself and the Secretary of State—but indeed to the people of the Nation—to know that we both shall continue to have the benefit of your advice and counsel.

Mr. Dulles replied:

Mr. President: For 6 years and more I have served as your Secretary of State. The relationship has been one of intimate understanding and effective cooperation which has afforded me deep satisfaction. Unhappily, my health no longer permits me to continue with the manifold responsibilities of that great office. Yesterday my trusted friend and second in command, Mr. Herter, took over. I am proud that he and his associates in the Department of State and Foreign Service constitute a team that is highly qualified to carry on your basic policies.

¹ For text, see BULLETIN of May 4, 1959, p. 619.

You, I know, share the same pride and confidence.

I now assume, at your request, the position of Special Consultant to the President. I am grateful to you for wanting me to serve in this capacity. I accept in the hope that I shall thus be able to assist you and the Secretary of State in the solution of problems which will continue to confront our Nation in its quest of a just and honorable peace.

In addition to the President, others attending the ceremony included the Vice President, the Secretary of State, Mrs. John Foster Dulles, the Director of Central Intelligence, and the Under Secretary of State for Economic Affairs.

President Sends Congratulations to American Federation of Arts

*Message of President Eisenhower*¹

APRIL 23, 1959

DEAR MR. NEUBERGER: It is a pleasure to send greetings to those attending the Fiftieth Anniversary Convention of the American Federation of Arts. In this divided world, it is good to be reminded of the universality of the arts. In Europe, Asia, Africa, and the Americas, the artist speaks a sensitive language full of meaning for mankind. This language cannot be confined; freedom is essential to all creative work.

For half a century the American Federation of Arts has been a strong force behind the growth of art appreciation in the United States. Its exhibitions have brought the arts to people throughout the national community—and to our neighbors abroad. Its standards of quality, free of any bias, have been as deep as the human heart and as high as the spirit.

I am delighted to add my personal congratulations and best wishes.

Sincerely,

DWIGHT EISENHOWER

MR. ROY R. NEUBERGER

President

The American Federation of Arts

1083 Fifth Avenue

New York 28, New York

¹ Read by Under Secretary of State Douglas Dillon before the American Federation of Arts at Washington, D.C., on Apr. 24 (press release 284).

King Baudouin of Belgium Visits United States

The Department of State announced on April 24 (press release 285) that arrangements have been completed for the visit of King Baudouin of the Belgians, who will visit the United States at the invitation of President Eisenhower.

King Baudouin, accompanied by Belgian officials, will arrive at Washington on May 11. The party will remain in Washington until May 14, when they will begin a trip which will include visits to Detroit, Mich.; Chicago, Ill.; Dallas and El Paso (Fort Bliss), Tex.; Los Angeles, San Francisco, Palo Alto, and Cypress Point, Calif.; Santa Fe, N. Mex.; Omaha, Nebr.; New York, N.Y.; and Norfolk, Va. They will leave for Brussels from Newcastle County Airport at Wilmington, Del., on May 31.

Berlin Medical Center Design Completed

The Department of State announced on April 22 (press release 275) that the design and plans for a modern medical center in Berlin had been made public on April 21 at a meeting of the Benjamin Franklin Foundation at Berlin.

The design, which provides for all the newest features of a medical treatment, teaching, and research center, was developed by Arthur Davis, of New Orleans, with associated architects Moreland Griffith Smith, of Montgomery, Ala., and Franz Mocken, of Berlin. When completed, the group of buildings will include a 1,200-bed hospital and the most advanced examination, therapeutics, teaching, X-ray, and operating facilities. The center will also provide for treatment of an estimated 300,000 outpatients.

Funds for the project will be provided jointly by the U.S. mutual security program and the city of Berlin.

The first stage of the project, which will be a self-contained operating unit of approximately 600 beds with related services, is expected to be completed by early 1961 at a cost of approximately \$15 million. Construction of the second stage, which is planned to provide double the number of hospital beds with a variety of supporting facilities, will begin shortly after the first stage is completed.

The Benjamin Franklin Foundation, a non-profit organization incorporated in Berlin under the chairmanship of American architect Leon K. Chatelain, Jr., of Washington, D.C., is exercising leadership in developing the program and design and in handling the financing for the project.

Daniel Hofgren Appointed to Board of Foreign Scholarships

The President on April 17 appointed Daniel W. Hofgren to be a member of the Board of Foreign Scholarships for the remainder of the term expiring September 22, 1959, vice Katherine Blyley, resigned.

Under Secretary Dillon Returns From Meetings in Far East

Statement by Under Secretary Dillon

Press release 272 dated April 19

I am returning from the SEATO Council meeting in Wellington,¹ brief stopovers in Canberra, Djakarta, and Manila, and the annual conference of our ambassadors in the Far East, which was held this year at Baguio in the Philippines.

I return from the SEATO meeting confident that this organization, by providing a defensive military shield behind which the members can continue their economic and social progress in freedom, is serving the best interests of the entire free world. The meeting was remarkable for its fine spirit of cooperation. Under the able leadership of Prime Minister Nash of New Zealand, we had free and frank discussions of all matters affecting the treaty area. We agreed that the bulwark of defense against Communist aggression and subversion must be continually strengthened, that living standards throughout the area must be raised, and that SEATO's cooperative programs in the economic, social, and cultural fields should be continued and enlarged.

My visits to Canberra, Djakarta, and Manila

¹For an address made by Mr. Dillon at the meeting, the text of the final communique, and a report on SEATO by the Secretary General, see BULLETIN of Apr. 27, 1959, pp. 602 and 605.

provided welcome opportunities to renew associations with leaders in those capitals and to discuss with them matters of mutual interest. In Baguio I had the opportunity of hearing first hand from our ambassadors in the Far East about conditions in the area and of participating with them in useful discussions of current problems. I also reported to the meeting on developments in areas other than the Far East.

All of these talks have been valuable contributions to our continuing effort to help find answers to the common problems that face the nations of SEATO and our other friends in Asia.

U.S. Extends Validations for Newsmen To Go to Communist China

Press release 281 dated April 23

The Department of State is extending for 1 year the passport validations of correspondents of the 30 American news organizations authorized to send one representative each to Communist China. These validations, now expiring May 22, will be extended upon presentation of the passports to the Department of State's Passport Office or to certain consulates.

With but one exception, none of the designated organizations has been permitted by the Chinese Communist regime to send a correspondent into Communist China since the Department announced on August 22, 1957,¹ its present policy of validating the passports of a limited number of American correspondents to go to the China mainland. It may be recalled that the Chinese Communist regime invited certain American newsmen to visit Communist China prior to August 22, 1957. However, when the Department authorized certain news organizations to send one representative each to Communist China, the Peiping regime refused to grant visas.

The Peiping regime has attempted to justify this refusal by charging that the U.S. Government was not granting reciprocity. However, the Department has repeatedly made it clear that, if any bona fide Chinese Communist newspaperman should apply for a visa, the Secretary of State is prepared to consider recommending to the Attorney General a waiver under the law so that

¹BULLETIN of Sept. 9, 1957, p. 420.

a visa could be granted. Not one Chinese Communist correspondent has yet filed an application. American law does not permit the Department to do what the Chinese Communists demand, which is to agree in advance to admit an equal number of Chinese Communists, even before their identities are known to us. If the Chinese Communists were indeed interested in reciprocity, they would have an equal number of Chinese newsmen apply for visas.

The American news organizations accredited by the Department on the basis of the established criteria, namely, that they had demonstrated sufficient interest in foreign news coverage to maintain at least one full-time American correspondent overseas and that they wished to be represented in Communist China for 6 months or longer, are the

following: American Broadcasting Co., Associated Press, Baltimore *Sun*, Chicago *Daily News*, Chicago *Tribune*, *Christian Science Monitor*, Columbia Broadcasting System, Copley Press, Inc., Cowles Publications, Denver *Post*, *Encyclopedia Britannica*, Fairchild Publications, McGraw-Hill Publishing Co., Inc., Minneapolis *Star and Tribune*, Mutual Broadcasting System, National Broadcasting Co., Newspaper Enterprise Association, Inc., New York *Herald Tribune*, New York *Times*, *Newsweek*, North American Newspaper Alliance, *Reader's Digest*, St. Louis *Post-Dispatch*, *Saturday Evening Post*, Scripps-Howard Newspapers, Time Inc., United Press International, *U.S. News and World Report*, *Wall Street Journal*, and Westinghouse Broadcasting Co., Inc.

United States-Vietnamese Cooperation: The ICA Program Since 1955

by Leland Barrows¹

The United States Operations Mission—USOM, as it is commonly called in Viet-Nam—is only one element in the team which, under the leadership of the American Ambassador, represents the United States in Viet-Nam. USOM's job is two-fold. First, it administers the financial assistance, largely in the form of imported goods and equipment, which has enabled the Vietnamese economy to survive the extraordinary strains and stresses of the past 4 years and to support the armed forces needed for national defense. Second, USOM provides technical assistance to the civilian sector of the Vietnamese Government and economy in the form of services of American and other foreign specialists and training

programs at home and abroad for Vietnamese students and officials. Other elements of the American official family provide material and technical help to Viet-Nam, as do many private American philanthropic and religious organizations, of which one must count, among the most important, the American Friends of Vietnam.

During the 4 years I was Director of USOM in Viet-Nam American economic aid totaled \$983 million. This is a very large amount of money. Yet it is less than the amount spent by the United States to provide military equipment and supplies to the forces engaged in the war against the Communists in Indochina in the 3 years from 1951 to 1954 and only a little larger than the amount the United States agreed to provide toward the cost of fighting that war during its last year. I make this comparison to remind you that the cost of maintaining peace through giving aid to a strong and reliable ally is certain to be less than

¹ Address made before the American Friends of Vietnam at Washington, D.C., on Apr. 17 (press release 270). Mr. Barrows is Regional Director for the Near East and South Asia, International Cooperation Administration. He was Director of the U.S. Operations Mission to Viet-Nam from October 1954 to November 1958.

the cost of a war. This comparison may also give you some measure of the level of economic activity associated with the conduct of the war in Indochina and thus an understanding of the financial and budgetary problems which confronted the Government of Viet-Nam and those of the other Indochinese states when they began their separate economic existences following the armistice of 1954.

Forms of U.S. Economic Aid

Of the various purposes for which this large amount of money was used, technical cooperation took the smallest proportion—\$12 million, 1.2 percent—yet was in some respects the most pervasive and far-reaching in its benefits. Technical cooperation funds have provided specialized assistance to supplement and assist trained Vietnamese personnel in many fields of civilian activity. They have financed the training of Vietnamese personnel abroad and have provided specialized equipment for demonstration and study. During the period at which we are looking today, USOM's largest technical cooperation effort was actually conducted by the Michigan State University group, whose work in the field of public administration and police administration is famous in Viet-Nam and is certainly known to most of you here. But the technical cooperation program covered a wide variety of other activities, touching in one way or another nearly every phase of civilian governmental activity and supporting the reconstruction and development projects financed by American aid.

At the other extreme, the largest proportion of American aid funds—more than 80 percent of the total, in fact—was used to provide what, in the lexicon of ICA, is called nonproject assistance. I am sorry to inflict this particular bit of technical jargon on you today, but I know no way to avoid it if you are to understand clearly how American aid has been used in Viet-Nam and why it has taken the form it took. Nonproject aid means money or credits to purchase commodities and equipment needed to enable the Vietnamese economy to operate at the level necessary to achieve our common objectives. Nonproject aid takes the form of raw materials and fuel for industry, spare parts and new machines, as well as essential consumption goods. In Viet-Nam non-

project aid finances about 80 percent of the nation's imports.

The third form of economic aid provided to Viet-Nam—accounting for \$96 million in 4 years—we call project assistance. This is aid in the form of goods and services provided directly to Government agencies or autonomous entities, such as the state railways, for the purpose of building or rebuilding some specific enterprise of economic value. Project aid has included such varied undertakings as, for example, the provision of well-drilling rigs and trained personnel to teach and supervise their use, steel rails and bridges for reconstruction of the war-damaged national railway, trucks and tractors for land development, and equipment and medicines for Government hospitals throughout the country.

One other technical feature of American aid, the counterpart fund, requires explanation at this point. On the one hand, many of the urgent problems with which the Government of Viet-Nam was confronted in 1955, and indeed is still confronted today, required the expenditure not of foreign exchange but of Vietnamese currency. On the other hand, the nonproject aid to which I have referred could be, and in fact is, administered in such a way as to help meet this need for local currency. With very minor exceptions, all nonproject aid goods are sold to the private sector of the Vietnamese economy for cash. Receipts from these sales are by agreement deposited in a special account in the National Bank of Viet-Nam, from which they are transferred as required to the military budget or to other accounts of the Vietnamese Government. By this means the local currency proceeds of nonproject aid are used to support the armed forces and to pay some of the local-currency costs of the many technical assistance and capital projects. In 1955 Viet-Nam was able to make only a small local-currency contribution to projects. Each year that contribution has increased—both in amount and as a percentage of the total—so that by 1958 it covered more than half of the piaster cost of aid-supported projects.

So much by way of technical preparation. Now I think we can usefully take a closer and more detailed look at the economic aid program. For this purpose I should like to proceed chronologically. Without depriving ourselves of the precious advantage of hindsight, I hope I can, year by year, reconstruct in some measure the problems,

conditions, and atmosphere of past years in Viet-Nam so you will better understand the decisions and actions that were taken.

First Year—1954-55

Let us return now to the first year, October 1954 to October 1955. This was a period dominated by political and military struggle in Viet-Nam. It began in doubt and discouragement and ended with the national referendum, a dramatic demonstration of political strength and popular confidence. In October 1954 the authority of the Government was everywhere contested. Large areas of the countryside were still in Viet Minh hands, since under the terms of the Geneva Accords the Communists were not required to yield the last territories until the following May. Other large areas were in the hands of dissident sects, and the city of Saigon was controlled by the forces of the Binh Kuyen. On his side, Ngo Dinh Diem had little more than his own personal moral strength and determination and, as we were to learn, a widespread but then inarticulate popular support.

In the circumstances political struggle to establish the authority of the central government took precedence over all other objectives. The struggle, as you will recall, turned to outright warfare in the spring of 1955. After the brief, bloody, and decisive battle of Saigon, events moved quickly and the way was open to establish peace and freedom throughout the country.

Less dramatic and less well known than the political and military developments of 1955 are the economic and financial problems which the new government also met and solved. It was not easy to make long-range plans when the future was so much in doubt, but much basic work was undertaken and accomplished. Through the means of joint working parties USOM was able to participate in this effort. In fact the basic shape of the American economic aid program, even as it is today, was fixed during this period by the problems with which the Vietnamese Government was then confronted.

To keep this discussion within reasonable limits, I can do no more than touch upon the most important problems with which the aid program dealt. In 1955 two broad areas were foremost in our concern and may be selected as representative of the work of that year. These were basic prob-

lems of the Government of Viet-Nam to which American aid contributed not only substantial amounts of money but also a measure of technical assistance and advice.

The first of these areas I shall call, for want of precise designation, establishing financial autonomy. Remember the situation with which the new government was confronted. Before 1954 Viet-Nam had attained a degree of political autonomy as a member of the Associated States of Indochina, but it did not attain financial autonomy until January 1, 1955. At that time a newly established national bank assumed responsibility for issue and control of the national currency. Administration of customs and trade controls and control of foreign exchange were assumed by Vietnamese administrators. The Vietnamese national army, which until 1955 was paid directly by the French Treasury, became the responsibility of the Vietnamese national budget, and at the same time the United States, through the mechanism of nonproject aid which I have described above, undertook to provide the means with which to meet this obligation.

This is a point I should like to emphasize. When the Vietnamese authorities examined the budget upon taking control of their own financial affairs in 1955, they found normal revenues sufficient to cover normal civilian expenses. They found a separate military budget larger than their civilian budget but financed entirely by funds administered by French military finance authorities. As a matter of fact, these funds came largely, in 1954, from a grant of dollars made by the United States to France. At any rate the first and fundamental financial problem of the new government was found in the fact that the budgetary structure of the country made no provision for supporting military forces yet support of the armed forces was essential to the survival of the country.

Clearly, in a situation of this sort, the first need of American aid was to help solve this problem. This historic fact accounts for the emphasis upon military budget support which has characterized the American aid program in Viet-Nam.

I might add that the cost of the military forces, and their size as well, was reduced drastically during the 4 years that I was in Viet-Nam, in face of the fact that during much of that period the military force was engaged in actual military op-

erations against bandits and Communist guerrillas. Moreover, as my friend and colleague, General Myers,² will tell you, the force has grown mightily in strength and effectiveness during the same period.

My first year in Viet-Nam was marked by another extraordinary undertaking of massive proportions and dramatic impact—the refugee movement—Operation Exodus.³ The whole world knows the story, so I will not retell it here. I should simply like to recall that it was a wonderful and unprecedented adventure, with work and glory enough for all the many people and organizations who took part in it. USOM's role was not the least and not the largest, but we did have responsibility for administering the United States Government funds which bore the bulk of the financial burden—\$55 million in equipment, supplies, and counterpart funds. USOM's most significant contribution came the following year, when, by using an additional \$35 million of United States Government funds to finance, project by project, the establishment of the refugee population in permanent villages, we were able to help the Government of Viet-Nam to complete this vast population movement in only 2 years.

Second Year—1955-56

The year which began in October 1955 saw substantial progress in every aspect of the American economic aid program in Viet-Nam. Of the many developments during the year, I shall mention only four. Of these, the most dramatic and unquestionably the most successful was the refugee resettlement program, which, as I have already mentioned, completed the job begun the year before.

This year also brought solutions to the problems of foreign trade administration and import licensing. Before 1955, when Viet-Nam was a part of the Associated States, her foreign trade was largely within the French Union. The only foreign currency available in quantity in Viet-Nam was French francs, and, as a consequence, most of the imports into Viet-Nam came from France. With the advent of full financial auton-

omy in 1955 and the allocation of American economic aid directly to Viet-Nam, the country was enabled to trade wherever it liked in the free world. It was in fact obliged, in using American aid, to buy in the most advantageous free-world market.

Before 1955 most of the foreign trade was in the hands of foreign firms and foreign banks, some of which withdrew from business and many of which were hesitant for a time to continue their operations. At the same time many Vietnamese wished to enter commerce, and the Vietnamese Government naturally wanted to encourage formation of Vietnamese commercial houses. All these factors contributed to a period of uncertainty and confusion in the field of commerce, which lasted throughout most of 1955. One aspect of the problem was the springing up of some 20,000 so-called importers. In an effort to meet the demands of these new Vietnamese businessmen, licenses were allocated in such large numbers and small values as to raise prices and slow down the arrivals of merchandise.

This proved to be a temporary difficulty, however, for the Ministry of Economy, under the leadership of the distinguished Vietnamese statesman who is now Vice President of the Republic [Nguyen Ngoc Tho], established new administrative rules which brought order and equity to this important economic area.

The year 1956 also saw a rapid expansion in the project aid provided by the United States. Most important among the developments of this period were actions contributing to agricultural reconstruction. American aid helped to reorganize the administration of agricultural credit and contributed a capital fund of \$10 million in piasters for crop loans and other forms of rural credit. USOM provided technical assistance and administrative funds to the agrarian reform administration for the present widespread program of land reform. Assistance was given in creating an agricultural extension service and a college of agriculture and in launching important projects in crop improvement and livestock breeding. Importation of buffalo and oxen from Thailand and Cambodia was initiated to replenish the supply of work animals depleted during the years of war and civil disorder. In all, to refugees and other needy farmers 24,000 work animals were sold on reasonable credit terms.

² Maj. Gen. Samuel L. Myers was deputy chief of the U.S. Military Assistance Advisory Group in Viet-Nam from 1956 to 1958.

³ For a report on the first weeks of Operation Exodus, see BULLETIN of Feb. 7, 1955, p. 222.

The year 1956 also marked the beginning of major programs in the field of public works, most notably the reconstruction of highways and bridges. Aid was also given for the improvement of waterways, civil airways, and telecommunications. Indeed the story of USOM's contribution to the reconstruction and improvement of public works in Viet-Nam deserves more time than I can possibly give it today. I should like to say, however, that the highway program initiated in 1956 has been growing since that time and is only now reaching its peak. Through this effort American aid has provided the Vietnamese Ministry of Public Works with a large, modern, coordinated supply of highway and bridgebuilding equipment and shops and warehouses for its maintenance. It has developed quarries, precasting plants for concrete pipe and bridge members, and other accessory facilities for modern highway construction. The services of American engineers and an American construction contractor have been provided to rebuild three major roads and to train Vietnamese so that, when the first tasks are completed, the Vietnamese Government can use the equipment we have provided to continue the large and long-range highway building and maintenance task which the country confronts.

Third Year—1956-57

The year which began in October 1956 was marked by particular progress in the field of public administration and financial reform. Indeed a preparatory step for the measures initiated in 1957 was taken in July 1956, when the Government of Viet-Nam opened a limited-access free market for foreign exchange transactions.

To understand the importance of this measure it is necessary to return once again to the early months of 1955. Within a few months after assuming responsibility for the administration of exchange controls, the Vietnamese authorities discovered that commitments previously made to business organizations and individuals authorizing them to convert piasters into foreign currencies for the transfer of profits and savings were rapidly depleting Viet-Nam's free foreign exchange. American aid was being offered in sufficient amounts to cover the essential import requirements of the country, but American aid could not be used to finance profit transfers and other invisible transactions.

Consequently, in May 1955 the Vietnamese Government virtually suspended all such transfers. This soon created serious dislocations. Accumulations of profits and individual savings which the owners were in the habit of transferring abroad tended to depress the value of the piaster and inevitably encouraged black-market transactions. At the same time complete inability to transfer legitimate business profits was recognized as inequitable and as discouraging to investment and business enterprise. Therefore the Vietnamese monetary authorities created the free market in which authorized firms and individuals are allowed to sell piasters at a rate which has proved throughout the past several years to be approximately double the official exchange rate. This, however, has met most of the needs of the business community and has tended in the long run to strengthen the value of Vietnamese money in international exchange.

There remained, however, through 1955 and 1956, other sources of inflationary pressure, most notably the fact that throughout the first 2 years the Vietnamese Government was unable to maintain a balanced budget. Both the central government and regional governments were given the right of overdraft on the national treasury, and this they exercised in providing governmental services deemed essential.

Recognizing the danger of such a practice, the Vietnamese Government in 1957 developed, with the help of Michigan State University USOM technicians, a greatly improved system of budget administration. In April 1957 new and heavier taxes were imposed on imports. The budgetary and tax reforms together put an end to deficit financing. In fact the reforms were applied with such vigor that by the end of the year the Government had accumulated a substantial surplus. These corrective financial measures were not without hardship in the business community, but they restored stability and armed the Government with new resources with which to increase its development program.

About project aid this year much might be said. For example, in 1957 resettlement of the high plateau, a major element in President Ngo Dinh Diem's present economic program, was initiated by a land development project patterned on the methods and techniques of the refugee program. Equipment and supplies worth \$3 million, and \$7

million in local currency, were allocated to the land development project by American aid.

Also notable in the period was the number of basic surveys provided by American aid—surveys laying the foundation for long-range development. These included studies of the sugar industry, the electric power requirements of the country, the Nong Son coal deposits, and the paper industry, and a comprehensive general industrial survey.

Fourth Year—1957-58

Thus the foundation was laid for increased American aid to industrial development in Viet-Nam, and this indeed became our foremost objective during the year beginning in October 1957. The year 1958 saw the initiation of the most important aid-financed project in the industrial field—the Industrial Development Center. This is an autonomous governmental organization established to provide technical advice and assistance and credit for private industrial development. The USOM project provides administrative support and the services of a firm of American industrial engineers. It has also endowed the center with a capital fund of \$6 million and 120 million piasters.

But our most extensive support to industry has been provided through nonproject aid. As I pointed out earlier, a substantial proportion of the imports financed by American aid has taken the form of spare parts and machinery for economic development. This has included equipment for dozens of small industries in Viet-Nam and also for a few of substantial size. In fact, the use of American aid for this purpose has been limited only by the willingness of private investors to order and pay in piasters for new capital equipment and the willingness of the Vietnamese Government to grant the necessary licenses. By way of illustration of the use to which the nonproject aid resources can be put, I cite the example of the jute weaving company in Viet-Nam. This private establishment, investing its own piaster capital, imported over the course of 2 or 3 years \$1½ million worth of new machinery with which it modernized and more than doubled the capacity of its plant. Many other small businesses have done the same thing without fanfare and without special governmental assistance.

In addition a newly organized, privately owned cotton spinning and weaving company is obtaining its necessary capital equipment in the same way.

Unfortunately, however, there are few Vietnamese-owned enterprises with the capital and experience to launch large undertakings. There are in Viet-Nam some foreign-owned enterprises with the means and willingness to undertake new investments, but it has not been easy for the Vietnamese Government to approve their proposals because of the already very heavy preponderance of foreign ownership of business in Viet-Nam. To find a way around this difficulty the Government of Viet-Nam adopted the principle of the mixed company, in which the private owner holds as much as a 49 percent interest and may be given a managerial contract which will allow him to operate the business, for a temporary period at least, as an agent of the Government as well as in his own behalf. This has proved a satisfactory solution to industries in the fields of glass bottle manufacturing, sugar production, and lumbering, among others.

Viet-Nam's Rubber Industry

In concluding this chronological review I should like to say a word about what is really Free Viet-Nam's greatest industry—the production of natural rubber. Rubber is Viet-Nam's largest export. Rubber production has been maintained and, in fact, in the past few years has reached the highest levels in history. The rubber plantations are for the most part large and well managed, and they produce rubber of high quality. They are largely owned by well-established French companies. In common with other industries in the country they have obtained chemicals, equipment, and other imported essentials through American commercial aid but otherwise have not benefited by American assistance.

In some newly independent, former colonial territories enterprises of this sort have been the subject of hostility and discrimination on the part of the new nationalist government and have even suffered expropriation. In Viet-Nam this has not been the case. On the contrary, President Ngo Dinh Diem has recognized the economic importance of these enterprises to his country and, despite the risk of demagogic political attack,

has given the foreign rubber plants positive encouragement and has even offered Government loans to encourage the maintenance and expansion of rubber production.

In breaking this review of the American aid program into chronological periods I hope I have not prevented you from seeing the continuity which has characterized the program. Most of the undertakings I have described have extended over more than 1 year. They have been related to one another and to other projects which I have not even mentioned. For example, throughout the entire period extensive and constructive programs were conducted in the fields of education and public health. Everything we have done has been worked out in concert with the Vietnamese authorities and has been designed to deal with problems to which the Vietnamese Government attached priority.

In one respect Viet-Nam differs from many other countries which have received large-scale American aid in the past few years. Virtually all the financial assistance Viet-Nam has received from the United States has been provided by the mutual security program and has been administered by the International Cooperation Administration. Viet-Nam has had no Export-Import Bank loans and no credit from the International Bank for Reconstruction and Development. In the 4 years about which I have been talking Viet-Nam purchased only \$6 million in surplus agricultural commodities under Public Law 480, and it received its first commitment from the Development Loan Fund on February 9, 1959.

On the other hand, in the 4 years I have described so hastily, Viet-Nam received substantial technical and economic aid from France and has the services of several hundred secondary and university-level teachers from the French Cultural Mission. The United Nations and its several specialized agencies have supplied a variety of technical assistance, and aid, both economic and technical, has come from the donor countries of the Colombo Plan. Other nations, such as Italy, Germany, and the Republic of China, have sent technical missions and have offered scholarships or other forms of technical assistance. Although the United States has provided the bulk of the financial assistance during this period, technical aid from these other sources has been

invaluable and has often been combined with American aid to make them both more effective.

Appraising Viet-Nam's Accomplishments

How should one appraise the work of these past 4 years in Viet-Nam? If it is simply the effectiveness of American aid on which a judgment is to be made and the wisdom with which it is administered, I am hardly the person to undertake the task. I do feel qualified, however, to say a closing word about the accomplishments of Viet-Nam in those areas in which American assistance played an important role.

In the first place, Viet-Nam is a free nation today, stronger militarily, politically, and administratively than most people thought possible 4 years ago. In the second place, Viet-Nam has made the transition from colonial status and an inflated wartime economy to political independence and a normal level of economic activity without a fall in the standard of living and without loss of political or economic stability. In the third place, agricultural production has been restored, and refugees equal to 7 percent of the population have been received and resettled. Viet-Nam has been slow to return to the world rice export market because of increased domestic consumption, although actual production reached and surpassed prewar levels. In the fourth place, much of the physical destruction caused by the civil war and the years of occupation has been repaired. Fifth, a program of industrial development has been launched. Finally, the nation has been enabled to maintain the military strength required by the constant threat of Communist aggression.

In fact so much has been accomplished in the past 4 years that one can easily forget that Viet-Nam remains a divided country, not enjoying the blessings of peace but protected only by an armistice. The threat of subversion and violence within and of infiltration from without and the danger of actual invasion are ever present. This is why the Government of Viet-Nam is sometimes obliged to put considerations of security ahead of economic objectives and why defense continues to absorb such a large proportion of the total national budget and of American aid.

Many problems remain, and some of mutual interest are yet to be resolved, but, so long as

Viet-Nam has a leader with the courage, moral strength, and determination of President Ngo Dinh Diem, the nation can face the future with hope and confidence. So long as these threats to national security remain, however, Viet-Nam will need the help of the United States and of her other friends in the free world. If we can judge the future by the past, Viet-Nam will deserve our assistance.

U.S. and Viet-Nam Sign Atomic Energy Agreement

Press release 274 dated April 22

The Governments of Viet-Nam and the United States on April 22 signed an agreement for co-operation for research in the peaceful uses of atomic energy. Signing the agreement for the United States were Assistant Secretary of State for Far Eastern Affairs Walter S. Robertson and Chairman John A. McCone of the U.S. Atomic Energy Commission. Ambassador Tran Van Chuong signed for Viet-Nam. The signing took place at the Department of State.

The agreement provides that the Government of the United States will furnish the Government of Viet-Nam information on the design, construction, and operation of nuclear research reactors and their uses in research, development, and engineering projects. Industrial firms, other organizations, and private citizens are permitted to supply appropriate nuclear equipment and related services under arrangements which they may conclude with the Vietnamese Government or authorized private organizations and individuals under its jurisdiction.

Under the terms of the agreement the U.S. Atomic Energy Commission may lease to the Vietnamese Government up to 6 kilograms (13.2 pounds) of contained U-235 in uranium enriched up to a maximum of 20 percent U-235 for use in research reactors. Viet-Nam assumes responsibility for safeguarding the fissionable material in its possession. The agreement also provides for the exchange of unclassified information in the

research reactor field, in related health and safety matters, and in the use of radioactive isotopes in physical and biological research, medical therapy, agriculture, and industry.

Looking to the future the Governments of the United States and Viet-Nam affirm in the agreement their common interest in availing themselves of the facilities and services of the International Atomic Energy Agency.

The agreement will come into effect after procedural and statutory requirements of both countries have been met.

U.S. Increases Shipments of Grain to Ethiopia

Press release 282 dated April 23

The United States is increasing its emergency assistance shipments of grain to Ethiopia to 19,500 tons under an agreement signed at Washington on April 23. The agreement provides for the shipment of 5,500 tons of sorghum and 4,000 tons of wheat for distribution in the Ethiopian provinces of Harar and Tigre, adding to the 5,000 tons of wheat and 5,000 tons of sorghum for Eritrea under a similar agreement signed last March 6.

Ambassador Zaude Gabre Heywot signed the agreement for the Imperial Ethiopian Government at the offices of the International Cooperation Administration. The grain is being provided by ICA as an emergency assistance grant under title II of Public Law 480 (the Agricultural Trade Development and Assistance Act). It will be used by Ethiopia to relieve threatened food shortages in Harar and Tigre caused by severe locust infestation and drought.

As in the case of grain now being delivered to Eritrea, where a similar emergency exists, Ethiopia will distribute the supplies free to needy persons who lost their crops and cannot purchase grain for their own consumption.

Arrangements are under way to get the supplies to Harar and Tigre as soon as possible.

The International Geophysical Year in Retrospect

by Wallace W. Atwood, Jr.

On December 31, 1958, the International Geophysical Year, widely known as the IGY, came to an end. For a period of 18 months starting on July 1, 1957, and throughout the 5 years of planning that had gone before, a unique example of international cooperation was given to the world. In spite of national rivalries, ideological tensions, and wars both hot and cold, scientists of East and West—and those of neutral nations in between—pooled their skills and their learning to push out the frontiers of knowledge for the benefit of all mankind. Through their concerted efforts quantities of basic scientific data were gathered, which will form the basis of future research projects for years to come. Important new discoveries were made regarding man's environment, the earth itself, the oceans, and the atmosphere. Through the launching of artificial earth satellites the IGY brought man to the threshold of a new era of exploration: the exploration of outer space.

To bring all this about required the services of some 30,000 scientists and technicians and as many amateur observers, representing most of the nations on earth. Some 4,000 primary sites and several thousand auxiliary ones covered every part of the world, extending from pole to pole and reaching into many hitherto inaccessible spots. Expedi-

tions went to some of the farthest reaches of the globe, and scientists from countries whose political leaders were snarling at each other worked on in amity, like the United States and Soviet Union weathermen who jointly staffed meteorological stations in the Antarctic.

Although the IGY was conceived and carried out by scientists working through their nongovernmental international organizations, the success of the undertaking depended in large measure on the support given by governments all over the world. To a greater or lesser extent, public funds were used to finance the various national IGY programs. In many instances governments provided logistics for material and personnel. And each cooperated by facilitating the necessary exit from one country and entry into another of scientists engaged in the work and expedited the movement through customs and other national barriers of scientific equipment to be placed and utilized abroad. In these ways governments actively participated in the IGY.

The precedents for the International Geophysical Year were the First Polar Year of 1882-83 and its successor, the Second Polar Year of 1932-33. In 1950 a proposal was made that another period of international and interdisciplinary research be scheduled at the 25-year interval (1957-58) instead of the 50-year interval. There were three good reasons for this advance scheduling: (1) The warehouse of basic data essential to progress in science was nearly empty; (2) travel at supersonic speeds and the rapid development of new communications systems posed problems which required basic information concerning the earth, the

● *Mr. Atwood is Director of the Office of International Relations of the National Academy of Sciences—National Research Council. For an earlier article on the Geophysical Year by Mr. Atwood, see BULLETIN of December 3, 1956, p. 880.*

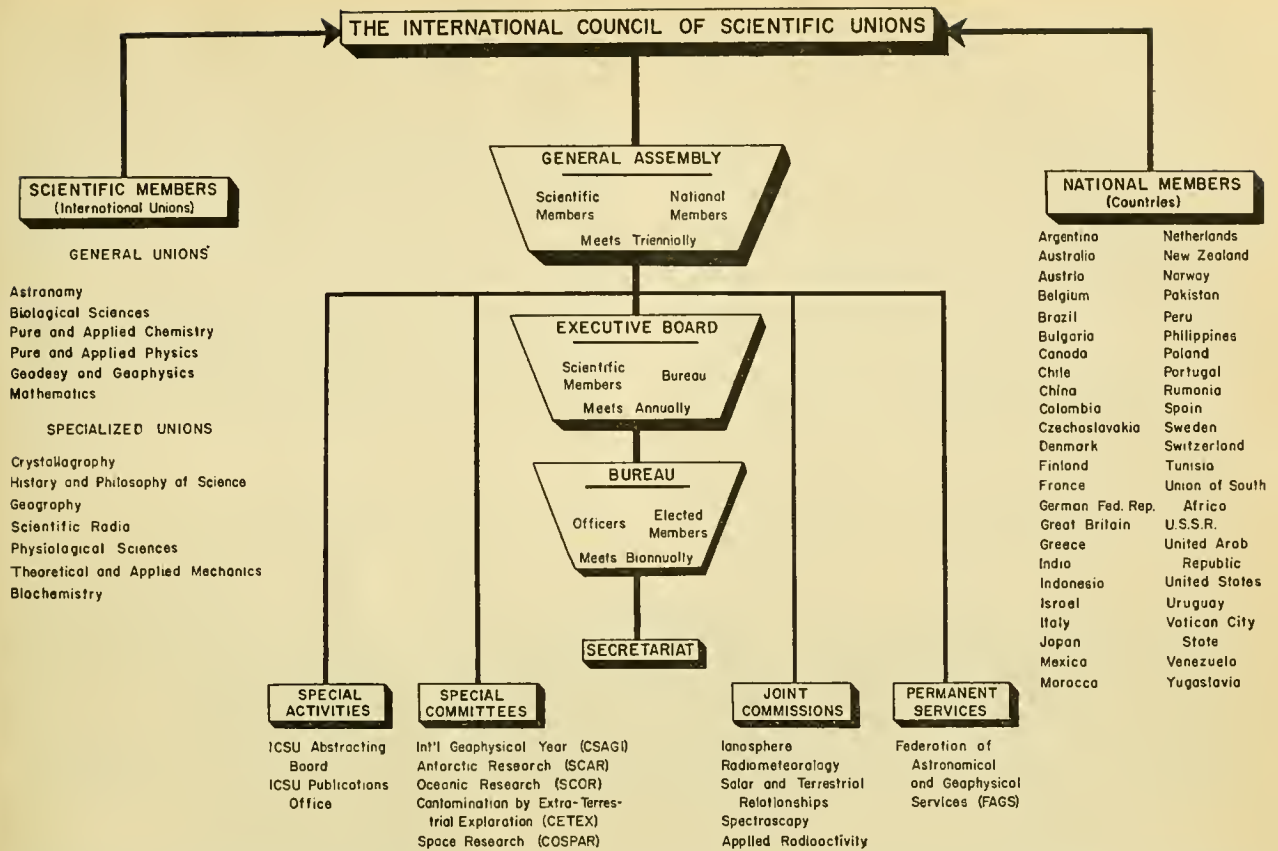


FIGURE 1. The organization of ICSU as visualized by the author; no official chart exists. The general assembly is the top administrative body composed of delegates appointed by the scientific and national members. The bureau and executive board conduct the affairs of ICSU between triennial assemblies. The office of the secretariat is at The Hague.

oceans, and the upper atmosphere; and (3) a period of unusual activity on the surface of the sun was predicted for 1957-58, which would provide an excellent opportunity to observe some of the phenomena that affect man's environment on planet earth.

Role of International Council of Scientific Unions

Planning went forward under the guidance of the International Council of Scientific Unions (ICSU). This is a nongovernmental organization which helps to coordinate activities in international science. It comprises 13 international scientific unions, from which it takes its name, together with 45 member nations, each represented by a suitable adhering organization. Generally, the adhering national unit is the national academy of science or research council or a similar body;

for the United States it is the National Academy of Sciences. The organizational structure of this Council is shown in figure 1.

The overall plan for the IGY called for studying 3 large areas of science, covering 11 different disciplines. The first of the three areas related to studies of the earth itself; the second covered weather and climate, including the events and processes on the earth's surface and in the lower atmosphere that make up the important "heat and water budget"; the third took in the upper atmosphere, extending out to the sun and on into outer space itself.

Within this general plan the scientists of each country were invited to set forth the research they would undertake as their part of the IGY. In the United States it was the National Academy of Sciences that called together a group of scientists to plan a national program. This group was called

the U.S. National Committee for the International Geophysical Year. Similar committees were established in other countries, each charged with the responsibility of developing a national program to be carried out in 1957-58. Then, in a series of meetings called by ICSU's Comité spécial de l'année géophysique internationale (CSAGI), the various national plans were coordinated by voluntary adjustment to make sure that all important geographic areas and scientific disciplines were suitably covered. These meetings for coordination were held annually during the 5-year period of preparation for the IGY and contributed immeasurably to the success of the entire undertaking.

Financing the meetings of CSAGI and the international secretariat of the IGY in Brussels was the responsibility of ICSU. The amount needed averaged about \$50,000 a year and was obtained from the United Nations Educational, Scientific and Cultural Organization (UNESCO) and from the national IGY participating committees. It is significant to note that ICSU's request for support was oversubscribed and a substantial balance remains to carry forward the post-IGY program of publication.

Because of the unique structure and financing of ICSU and its unions, a flow chart showing the income and expenditures of the organization has been prepared and reproduced as figure 2. The Special Committee for the IGY (CSAGI) appears at the extreme right of the chart.

In every activity connected with United States participation in the IGY, there was nationwide, exemplary cooperation by all members of the scientific community. Universities, research institutions, industrial laboratories, foundations, and individual scientists participated unselfishly in implementing the program developed by the U.S. National Committee. At the same time the National Science Foundation took over the important task of fund raising and of representing the needs of the IGY before the U.S. Congress and executive agencies of the Government. A total of \$43 million was appropriated by Congress in support of the scientific aspects of the United States IGY program. Industrial, commercial, and other organizations and various agencies of the Government provided help. For example, the establishment and maintenance of scientific stations in

Antarctica, the study of the oceans, and the exploration of outer space by rockets and satellites would have been impossible without the full support and participation of the military services, which provided scientific and technical personnel, planes and ships, essential equipment, housing facilities, and many other necessary supplies and services. Similarly, it would have been impossible to arrange certain of the important cooperative programs if the Department of State, through its Office of the Science Adviser, had not contributed its experienced diplomatic hand in the conduct of bilateral negotiations with foreign governments.

Principle of Political Noninterference

The number of nations whose scientists participated in the IGY grew constantly, from 26 in July 1954 to a total of 66 three years later. Every inhabited continent and all parts of the world were represented. Large and small nations were able to help their scientists participate in the IGY, each group making a contribution consistent with such factors as available facilities, trained personnel, and financial resources.

There was one incident that threatened the purely scientific character of this international cooperative effort. In the second half of the IGY the Chinese Communist authorities at Peiping, who had previously permitted their scientists to join this effort, withdrew after scientists from Taiwan were accepted by CSAGI into the IGY. The Peiping scientists, prompted by political motivations of their regime, had asked that scientists from Taiwan be barred, but CSAGI refused to allow the IGY cooperative enterprise to be spoiled by this attempt at political pressure.

At this point it is relevant to call attention to one of ICSU's basic principles recently reaffirmed at the 1958 general assembly held in Washington, namely that ICSU and its affiliated bodies welcome participation in their activities of scientists from any country or territory and that such participation shall not carry any implication whatsoever with respect to recognition of the government of the country or territory concerned. This principle made possible the virtually universal enrollment of national scientific communities in the IGY. It showed up on occasion in such anomalies as the presence of scientists from the Soviet

Union, Poland, and Communist China at the 1956 CSAGI meeting at Barcelona; had the orientation of the meeting been political, this would have been impossible. The Barcelona meeting, of course, took place before Peiping spoiled the otherwise perfect record of political noninterference.

Availability of Information Assured

ICSU also insists on free and prompt dissemination of information. Therefore it was mutually agreed from the start that the data gathered during the IGY would be available to the scientists and researchers of all nations. This agreement provided assurance that the maximum gain

would come from the collected information, since everyone who might have use for it would also have access to it.

To facilitate access to all information CSAGI established three World Data Centers, to which observations would be sent. One center was set up in the United States, the second in the U.S.S.R., and the third in Western Europe, with branches of the latter in Japan and Australia.

One of the primary reasons for the IGY, advanced by the scientists, was the need to observe certain geophysical phenomena simultaneously from many localities scattered over the surface of the earth. To attain such simultaneity of observations would require worldwide cooperation and also a worldwide communications system that

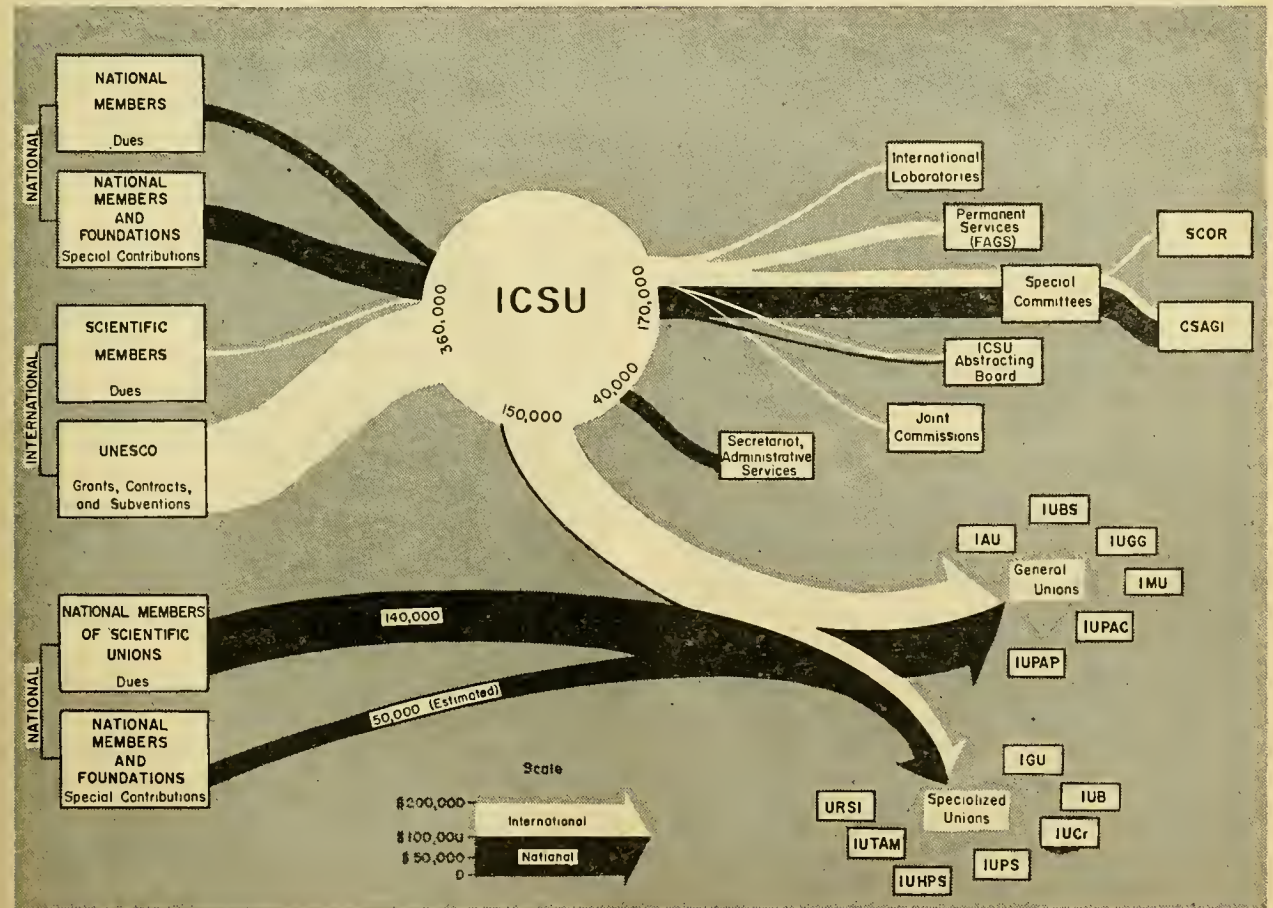


FIGURE 2. Flowchart showing to scale the income and expenditures of ICSU and its member unions in 1957 (all figures are approximate). Over 62 percent of the total income was used for union activities; 30 percent for special committees, permanent services, and related projects; and about 7 percent for secretariat and administrative services. The unions and special committees identified by initials only are named in figure 1.

would link together the IGY observers wherever they might be—in Antarctica, high in the Andes of South America, at sea on an oceanographic vessel, or at observation stations distributed over five continents.

Accordingly the IGY planners in cooperation with the International Scientific Radio Union—URSI (Union radio scientifique internationale)—developed a World Days warning-alert communications system with headquarters at Fort Belvoir, 15 miles south of Washington, D.C. Certain days known as World Days were selected in advance for intensive worldwide observation of particular phenomena. Other days were selected on short notice as interesting phenomena developed, such as sudden flareups on the surface of the sun. Occasionally an alert was issued when a fast-developing storm was spotted. This permitted observers over a large area to track the course of the storm and thus learn a little more about the problems of weather forecasting.

The role of ICSU in the IGY was very real although sometimes overlooked by those unfamiliar with the pattern of international cooperation developed by ICSU over the past 40 years. This role and the sequence of IGY operations are shown in figure 3. National planning and international program coordination are featured at the left in the chart; research, evaluation of data, and publication of results are shown at the right.

Post-IGY Activities

Without ICSU and its member unions the IGY might never have been initiated and the ambitious post-IGY programs, currently under way, might have been delayed for many years. It was ICSU with its 45-nation membership and 13 unions which met in Washington in October 1958 to chart post-IGY activities. On that occasion it was decided to establish a new Special Committee for Inter-Union Cooperation in Geophysics, to be known as the SCG, to guarantee continuance of international collaboration in geophysics along the lines begun in CSAGI under the IGY. This new committee will be immediately concerned with publication of the results of the IGY. In addition, ICSU established the Special Committee on Oceanic Research (SCOR), the Special Committee on Antarctic Research (SCAR), the Committee on Contamination by Extra-Terres-

trial Exploration (CETEX), the Committee on Space Research (COSPAR), and the International Service for World Days (IWDS).

Thus ICSU, even before the accomplishments of the IGY have been fully evaluated, has charted new explorations into the unknown. These programs will be carried forward by the scientists of many nations working through their national scientific institutions and with the assistance of their respective governments. The several committees of ICSU will coordinate the work in the same manner employed so successfully during the IGY.

Some Scientific Achievements

It will take many years to analyze and evaluate the data gathered during the IGY and to learn what this additional fund of scientific information may mean in practical effects on man's way of living. However, it might be well to take note of a few of the results that have appeared. What follows cannot in any sense be comprehensive, nor even representative perhaps, but it may give some idea of the magnitude and importance of the scientific accomplishments of the IGY. It may also, here and there, reveal some of the ways in which international scientific cooperation extended from planning into actual operations.

The most comprehensive attack yet on the mysteries of Antarctica, joined in by Argentina, Australia, Belgium, Chile, France, Japan, New Zealand, Norway, the Union of South Africa, the United Kingdom, the United States, and the U.S.S.R., has started to reveal the actual face of that continent. Beneath the ice masses, it has been found, lies a complex of mountainous islands many of which would be ocean covered if the ice mantle were suddenly to melt. Signs of a major separation between the east and west halves of the continent also have been discerned. A concomitant discovery is that the total of the world's ice and snow, most of which lies in this region, is 40 percent greater than previously thought. The new estimate considerably changes what is known of the heat and water balance of the earth, which is of critical importance to present and future climate.

In addition, through the cooperation of observers from all the nations conducting operations in Antarctica, the first comprehensive census of antarctic weather has been completed. Precise data

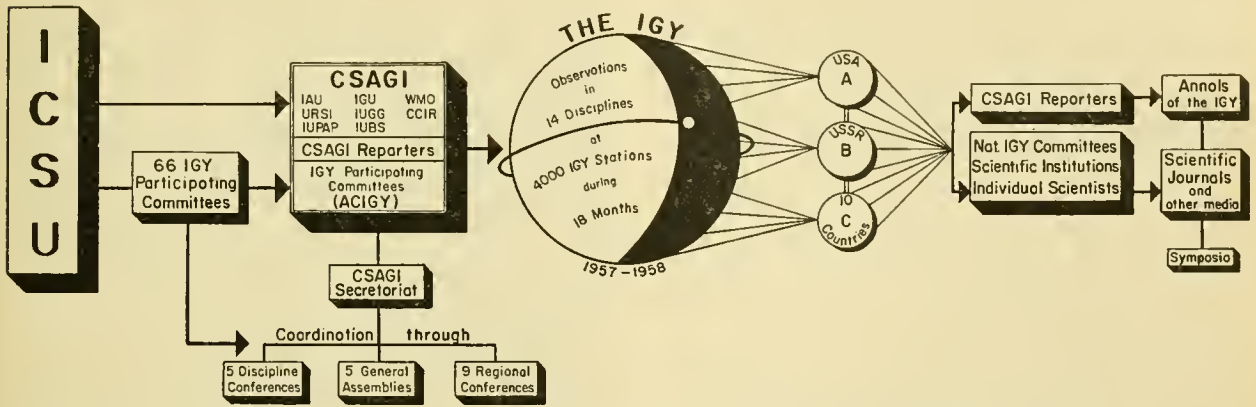


FIGURE 3. The pattern of IGY operation developed by CSAGI in accordance with guidelines established by ICSU. International coordination of national programs was accomplished by scientists from IGY participating committees at meetings sponsored by CSAGI. The scientific data obtained during the 18-month observational period have been deposited in three World Data Centers, from which they can be obtained for the purpose of research and evaluation by scientists of any country. The final phase of the operation is the publication of results in the *Annals of the International Geophysical Year* and other scientific journals.

on temperature (measured as low as -124° F.), pressure, humidity, and wind direction and velocity will permit a more accurate gaging of the influence this region has on weather throughout the world.

Scientists from many nations participated in the IGY oceanographic research program. Countries from the Northern Hemisphere joined those bordering the Indian Ocean in studies of that ocean; South American and Asian countries shared in Pacific Ocean research; 350 tide-gage stations were operated by no fewer than 25 nations; and the 80 research vessels that took part in the cruise portions of the oceanographic program represented 20 different countries.

Sea-level changes were measured and the oceanic water budget studied. In addition, important discoveries were made concerning the behavior of certain ocean currents. Three major countercurrents were located, clocked, and measured: one in the Atlantic flowing deep beneath the Gulf Stream and two in the Pacific. All three shed new light on the nature of the oceans, on their effects on climate and weather, and on potential food resources that may become vital to rapidly increasing populations in young nations striving for orderly development.

Deep trenches have been located beneath the ocean off the west coast of South America and in the Arctic Basin. The bottom of a vast region in the southeast Pacific has been found to bear a sludge rich in manganese, iron, cobalt, and copper, potentially of such great value that its exploitation may not be very far off.

Although the goal of the IGY was geophysical research, study in other fields of science was almost inevitable. For example, one of the by-products of the oceanographic studies was the discovery in the ocean depths of a live specimen of a supposedly extinct presnail. The chance to study this creature will help biologists fill in the background of evolutionary history.

Whether his belief was manifested through superstition, expressed in religion, or pursued through science, man seems always to have recognized the pervasive influence of the sun. During the IGY scientists of 33 nations at preselected vantage points throughout the world kept the sun under perpetual watch. As a result there now exists an unmatched record in data and photographs of the solar flares and all other discernible activity on the sun. With this record the solar processes can be analyzed and correlated with terrestrial phenomena, some of which, like the effects

of radio communication, have long been known but not fully understood.

Monitoring of auroral activity by cameras, radar, and other equipment has turned up data that seem to bear on the emission of cosmic rays from the sun during flares. Joint United States-New Zealand observations of the aurora have led to the conclusion that lithium is present in the high atmosphere in addition to the elements previously known.

With the help of modern technology to supplement traditional methods, significant discoveries have been made regarding the upper atmosphere. More than 300 instrumented rockets have measured density, pressure, temperature, and composition up to a height of some 250 miles. One result has been the discovery in the lowest region of the ionosphere of X-rays which apparently cause increased electrical activity that can sometimes black out radio communications; studies made during an eclipse of the sun suggest its corona as the source of these rays. Cosmic-ray trajectories reveal strong deviations from what should be expected according to the accepted description of the earth's magnetic field; it appears now that the latter is pulled somewhat askew by the effects of magnetic fields surrounding other bodies in space.

In addition a large region of powerful radiation trapped within the earth's magnetic field has recently been located 1,000 to 3,000 miles above the earth's surface and given the name of the Van Allen Radiation Belt. This radiation helps to explain certain geomagnetic variations and auroral displays; its presence must be taken into account in the preparation for space travel.

Impact of the IGY

The launching of satellite vehicles during the IGY as scientific probes into space opened a new era of exploration and discovery. At this stage scientists are still gathering information—information that adds to an understanding of the origin of the solar system, perhaps of matter itself. A long step beyond, but nevertheless a step no longer out of reach or sensible thought, is man's own penetration of new worlds, at least of the moon and the nearby planets. How far in the future this development lies is not yet clear, but the use of experimental animals in recent test flights suggests that the first space trips by man may be imminent.

The stimulation to thought and imagination

which has come with the opening of new horizons through the IGY has few parallels in recent history. It has renewed interest in study and research, and more people have come to recognize the importance of pure science, not just its applications in technology. In the United States the educational system is responding to the impetus generated by the IGY. Parents, school boards, and legislators have become more aware of the importance of science training for the youth of the country. By the same token there has been a rising tide of demands that highly qualified students be given better preparation for careers in science. The result could well be a substantial change for the better in the educational system.

Citizens generally have become more keenly aware of the contributions being made by scientists and by scientific institutions. The notable leadership provided by the National Academy of Sciences has brought deserved recognition for that body. Similarly, the National Science Foundation and the scientific organizations of the country, both governmental and private, have acquired greater stature and importance in the public eye.

It has been suggested in high tribunals that the IGY has provided a pattern of international cooperation which should be emulated. If this is true, it is because the scientists involved were men of good will and because they developed together the procedures necessary to achieve their common objectives. At no time did the scientists allow political differences to block their course. Through their national academies and other scientific institutions they interested their respective governments in the IGY plans and obtained the cooperation and financial support which they required. In this manner the IGY scientists developed a team which possessed the strength and prestige necessary to carry through the most ambitious program of scientific exploration the world has ever known.

These well-tested methods, developed by ICSU and its unions and so effectively employed during the IGY, are ideally suited for the furtherance of international cooperation in science. For this reason it may be hoped that the United Nations and its specialized agencies, when they contemplate the initiation of international scientific activities, will call upon organizations such as ICSU for advice and assistance. If this should happen,

the IGY, in addition to making a significant contribution to science and human welfare, will have brought to the United Nations a valuable tool for the conduct of international scientific relations.

For the United States, the IGY has further demonstrated the significance of scientific factors in formulating and executing foreign policy. This is apparent in the day-to-day work of the Department of State and in pronouncements of congressional committees and the executive branch of the Government. This greater interest in science on the part of Government has been developing ever since the first atomic bomb was dropped in 1945, but it was the IGY with its associated scientific and technological achievements (especially those of the Soviet Union) which clearly indicated that science could facilitate the attainment of peaceful objectives of foreign policy.

It is gratifying to record that in 1950, more than 8 years ago, the Department of State recognized the growing importance of science by creating the Office of the Science Adviser and by appointing science attachés to several embassies in Western Europe. These actions were taken following a careful study which resulted in the publication of the Berkner report entitled *Science and Foreign Relations*.¹ Although the Department's science office was drastically curtailed in 1955, it since has been revived and strengthened. Within the next few months it is expected that a total of eight science officers will be stationed at United States missions overseas.²

Additional developments indicating the growing recognition of science are seen in the creation of the President's Science Advisory Committee late in 1957 and the establishment of the National Aeronautics and Space Administration in October 1958. Both actions may be traced either directly or indirectly to activities of the IGY which pushed forward the frontiers of science with unusual speed and opened the door to outer space with such force as to jolt the nations of the world.

This is the story of the IGY in retrospect. It

¹ In 1949 Lloyd V. Berkner, president of Associated Universities, Inc., was asked by the Secretary of State to survey the role of the Department in science. His report became the basic reference on science policy for the Department. Mr. Berkner later became vice president of the international committee for the IGY.

² For a Department announcement, see BULLETIN of Dec. 29, 1958, p. 1048.

was a good program, carefully planned and magnificently executed. Through its successes the world has gained new scientific knowledge of untold wealth. It also opened the eyes of many persons to the significance of science in national and world affairs. But even more important to the future of mankind on this planet are the happiness and satisfaction that the scientists found in working together. As a consequence, peaceful cooperation among people of all nations is a little closer to realization.

TREATY INFORMATION

Current Actions

MULTILATERAL

Telecommunication

Telegraph regulations (Geneva revision, 1958), annexed to the international telecommunication convention of December 22, 1952 (TIAS 3266), with appendixes and final protocol. Done at Geneva November 29, 1958.¹
Notification of approval: Switzerland, February 26, 1959.

Wheat

International wheat agreement, 1959, with annex. Open for signature at Washington April 6 through April 24, 1959.¹

Signatures: Portugal, April 14, 1959; Denmark, April 15, 1959; India, April 17, 1959; Switzerland and Vatican City, April 20, 1959; Federal Republic of Germany, Ireland, Norway, Philippines, and Union of South Africa, April 21, 1959; Belgium, Belgian Congo and Ruanda-Urundi, Canada, Indonesia, Israel, Luxembourg, New Zealand, Sweden, United Arab Republic, and United States, April 22, 1959; Cuba, Dominican Republic, France, Greece, Haiti, Italy, Japan, and Mexico, April 23, 1959; Argentina, Australia, Austria, Brazil, Korea, Netherlands,² Peru, Spain, and United Kingdom,² April 24, 1959.

BILATERAL

Bolivia

Agreement amending the Air Force Mission agreement of June 30, 1956 (TIAS 3604), and the Army Mission agreement of June 30, 1956 (TIAS 3605). Effected by exchange of notes at La Paz April 2 and 3, 1959. Entered into force April 3, 1959.

¹ Not in force.

² With declaration.

Canada

Agreement relating to communications facilities at Cape Dyer, Baffin Island, to support the Greenland extension of the distant early warning system. Effected by exchange of notes at Ottawa April 13, 1959. Entered into force April 13, 1959.

Colombia

Agreement amending the Army Mission agreement of February 21, 1949, as extended (TIAS 1892 and 3146), the Air Force Mission agreement of February 21, 1949, as extended (TIAS 1893 and 3146), and the Naval Mission agreement of October 14, 1946, as extended (TIAS 1563 and 3146). Effected by exchange of notes at Bogotá February 18 and March 31, 1959. Entered into force March 31, 1959.

Tunisia

Agreement relating to investment guaranties under section 413(b) (4) of the Mutual Security Act of 1954, as amended (68 Stat. 847; 22 U.S.C. 1933). Effected by exchange of notes at Tunis March 17 and 18, 1959. Entered into force March 18, 1959.

United Arab Republic

Agreement concerning the exchange of parcel post and regulations of execution. Signed at Cairo December 30, 1958, and at Washington January 13, 1959. Enters into force on a date to be mutually settled between the postal administrations of the two countries.

Approved and ratified by the President: April 17, 1959.

Viet-Nam

Research reactor agreement for cooperation concerning civil uses of atomic energy. Signed at Washington April 22, 1959. Enters into force on date on which each Government receives from the other written notification that it has complied with statutory and constitutional requirements.

U.S. and Mexico Recess

Air Transport Talks

Press release 286 dated April 24

The talks between the Governments of the United States and Mexico for the purpose of reaching an agreement concerning a system to regulate air transport between the two countries subsequent to June 30, 1959, were recessed on April 24.

The U.S. and Mexican delegations have been meeting daily in Mexico City since April 6. They have engaged in a frank and friendly exchange of views covering experience under the 1957 Provisional Air Transport Agreement¹ and have made notable progress toward arriving at a mutually agreeable understanding. However, both delegations felt the need to confer further with their respective Governments. They agreed on a short recess.

The recessed talks may be resumed at any time on the initiative of either delegation.

¹Treaties and Other International Acts Series 3776.

DEPARTMENT AND FOREIGN SERVICE

Confirmations

The Senate on April 21 confirmed Christian A. Herter to be Secretary of State. (For biographic details, see press release 277 dated April 22.)

Appointments

Parker Gilbert Montgomery as Special Assistant to the Deputy Under Secretary for Administration, effective May 1, 1959. (For biographic details, see press release 276 dated April 22.)

Designations

Joseph L. Brent as director of the U.S. Operations Mission, Morocco, effective April 20, 1959. (For biographic details, see press release 273 dated April 20.)

Norman Burns as director of the U.S. Operations Mission, Jordan, effective April 26. (For biographic details, see press release 287 dated April 24.)

Check List of Department of State Press Releases: April 20-26

Press releases may be obtained from the News Division, Department of State, Washington 25, D.C.

Releases issued prior to April 20 which appear in this issue of the BULLETIN are Nos. 261 and 262 of April 13 and 270 of April 17.

No.	Date	Subject
†271	4/20	Consulate at Tananarive reopened (rewrite).
272	4/19	Dillon: return from SEATO meeting.
*273	4/20	Brent designated director, USOM, Morocco (biographic details).
274	4/22	Atomic energy agreement with Viet-Nam.
275	4/22	Berlin medical center (rewrite).
*276	4/22	Montgomery appointed Special Assistant (biographic details).
*277	4/22	Herter confirmed as Secretary of State (biographic details).
†278	4/22	U.S. delegation to OAS Committee of 21 (rewrite).
†279	4/22	Investment agreement with Malaya.
280	4/22	Herter: remarks to Department personnel.
281	4/23	Passports for newsmen for travel to Communist China.
282	4/23	Grain to Ethiopia.
283	4/24	Chiefs of missions at Santiago.
284	4/24	Eisenhower: message to American Federation of Arts.
285	4/24	King of Belgium visits U.S. (rewrite).
286	4/24	Air transport negotiations with Mexico recessed.
*287	4/24	Burns designated director, USOM, Jordan (biographic details).

*Not printed.

†Held for a later issue of the BULLETIN.

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OFFICIAL
WEEKLY RECORD
UNITED STATES
FOREIGN POLICY

THE DEPARTMENT OF STATE

Bulletin

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May 18, 1959

The Department of State BULLETIN, a weekly publication issued by the Public Services Division, Bureau of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, United Nations documents, and legislative material in the field of international relations are listed currently.

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America's Role in International Economic Cooperation

*by Under Secretary Dillon*¹

As the State Department official most directly concerned with administration of our mutual security program, I feel very much at home here today.

You and I don't have to convince each other of the incalculable value of what we have come to call "foreign aid."

We know that, without America's economic and military aid during the years since World War II, whole sections of the world would have been lost to freedom.

We know that one-third of the world's people, who have only recently won political independence, are looking to us today for assistance in freeing themselves from the tyranny of poverty, disease, and ignorance.

We know that the urgent need to help the less privileged peoples of the earth achieve economic progress under freedom presents us with our greatest challenge and our greatest hope for the future.

While it is undeniably true that some of our fellow Americans still do not understand the overriding importance of maintaining foreign aid at adequate levels, we know that, if the United States were to abandon the less developed countries, the future of our own people would be gravely imperiled.

But we also know that the American people will not fail to discharge their responsibility to help the newly developing countries if they fully comprehend its urgency. Conferences such as this help to bring about the increased public awareness upon which wholehearted support of our mutual security program depends.

As we meet today many Americans in public

¹ Address made at the Sixth National Conference on International Economic and Social Development at Washington, D.C., on Apr. 30 (press release 294).

and private life are giving thoughtful consideration to the relative emphasis which should be placed upon the economic and military aspects of our mutual security program. I, for one, wish that not a single penny of our foreign aid funds had to be spent for military purposes. I wish that the state of the world would permit us to concentrate all of our foreign aid on economic assistance. This would be consistent with the deep-rooted strain of humanitarian idealism which is a major motivating force behind our foreign aid efforts. But it would also be totally unrealistic. For security against aggression from without and subversion from within is essential to survival.

Need for a Balanced Mutual Security Program

The urgent need for a balanced mutual security program is clearly evident, for example, in Southeast Asia, an area of crucial importance to the future safety and well-being of the American people, from where I returned last week after representing the United States at the fifth annual meeting of the SEATO Council of Ministers.²

In the SEATO area the threat of Communist aggression, either direct or through internal subversion involving the use of military force, is ever present. The reality of this Communist danger was brought home sharply at our meeting by the crime perpetrated against Tibet by Communist China's imperialistic rulers, who had solemnly promised at the Bandung conference in 1955 to respect "the rights of the people of all countries to choose freely a way of life as well as political and economic systems." All of free Asia has been profoundly shocked by the brutal cynicism with which the Chinese Communists violated their

² BULLETIN of Apr. 27, 1959, p. 602.

pledge to the courageous and deeply spiritual people of that remote and beleaguered land. It has heightened awareness of the strategic value of the SEATO collective security system.

The great accomplishment of SEATO is that it has provided a shield of security behind which the governments of Southeast Asia can work in peace at the primary task of improving the well-being of their peoples. Without SEATO's protective shield the problems of development could not be effectively attacked. Conversely, the meaning and importance of the shield are largely dependent on the extent to which basic social and economic problems are being attacked throughout the SEATO area.

Their solution must be given top priority in all the less developed countries. However, it is also a fact that adequate internal stability, which a military shield is designed to promote, is a prerequisite to development. In the face of the Communist challenge we must continue to provide military assistance and defense support to help free governments maintain this shield.

What we are doing in this field is now approaching the absolute minimum. Military assistance, which represented 55 percent of the 1958 program, amounts to only 45 percent of the fiscal year 1959 program and is less than 41 percent of the funds requested for fiscal year 1960. Economic programs have increased accordingly, rising in this 3-year period from 45 percent to more than 59 percent of the program in fiscal year 1960. It is totally unrealistic to expect that we can safely divert additional military assistance to economic purposes.

If our economic programs are to be further strengthened—and I am among the first to advocate that they be fortified—this can only be accomplished by increasing the overall appropriations for mutual security. The idea that the same objective can safely be accomplished through substantial further diversion of military funds is wishful dreaming that can be very dangerous both to the United States and to the less developed countries we wish to help.

We must, in short, work to increase our economic help without weakening the security provided by our military assistance programs. The governments of many less developed countries lack the financial resources and technical skills required to initiate self-sustaining economic

growth without assistance. They do not wish to be dependent upon special external aid for the indefinite future. They are utilizing their own resources. But they hope for enough help to enable them to move along on the road to real progress. To a large extent this assistance can best be offered in the form of loans from our Development Loan Fund, coupled with an active technical assistance program. In a few cases, however, the requisite aid may have to be on a grant basis until the country has made enough economic progress to qualify for loans.

A major conclusion from my recent visit to the Far East is that our foreign aid program can never be fully effective until we clarify our own thinking about it here at home. For it is a fact that the manner in which we extend aid is equally as important as the aid itself. Increasing numbers of Asians are coming to question our steadfastness of purpose, and even our motives, in granting assistance.

The bewilderment of friendly peoples in all of the newly developing countries is understandable. For the facilities of modern communications usually outstrip their knowledge of our unique and highly vocal democratic process, in which minority and dissident opinions frequently receive more public attention than majority views. It is difficult for them to gage just how accurately a well-publicized demand by a group of our citizens that we shut off all foreign aid in 3 years and seek illusory refuge in a "fortress America" really reflects the viewpoint of the American people as a whole. Even more serious is the effect of statements too often made in this country castigating our Asian friends as unworthy recipients of prodigious and wasteful "giveaways."

Let us truthfully admit that the confusion of our friends abroad is merely a reflection of the confusion about foreign aid that continues to persist here at home—despite its proven effectiveness over the years since the close of World War II. Foreign aid is being made the scapegoat for everything from the recent recession to the spread of international communism. Fortunately such opinions are held by very few of our citizens. But, regrettably, some Americans have fallen into the mistaken belief that the United States, in an attempt to "buy friends" and without adequate thought for its own best interests, has been busy giving away nearly \$4 billion a year of our tax-

payers' money. Nothing, of course, could be farther from the truth, as all of you who have been so deeply concerned with the proper development of our foreign aid program can testify.

President Eisenhower himself recognized the honest doubts of many sincere citizens when he asked earlier this month at Gettysburg:³

Why should America, at heavy and immediate sacrifice to herself, assist many other nations, particularly the less developed ones, in achieving greater moral, economic, and military strength?

Then he answered, with simple eloquence:

A free America can exist as part of a free world, and a free world can continue to exist only as it meets the rightful demands of people for security, progress, and prosperity. . . .

This is the true meaning of mutual security.

It is the idea that, by helping one another build a strong, prosperous world community, free people will not only win through to a just peace but can apply their wonderful, God-given talents toward creating an ever-growing measure of man's humanity to man.

On the full awakening by the American people to the significance of the President's words may well depend the fate of free government in the world.

Responding to Aspirations of Less Developed Nations

To me the burning question of our generation is this: Can we respond adequately, and in time, to the legitimate and growing aspirations of vast sections of the world's populace to rise above their traditional illiteracy, poverty, and disease?

Make no mistake about it. Our system of free institutions is on trial. For illiteracy, poverty, and disease are no longer taken for granted in the underdeveloped nations. If we fail them the aspiring peoples may seek economic progress by recourse to methods which are the natural enemies of free and democratic institutions.

How shall we respond to this challenge? One answer, of course, is grant assistance through governmental channels, such as we contributed to the European recovery program. But although grant assistance is necessary in certain countries our experience with the Marshall plan is not a good guide for our relations with the underdeveloped regions.

In Western Europe the objective was quite specific: to rebuild shattered and highly industrialized economies where the principal problem was a

temporary shortage of equipment and goods. In the underdeveloped world, however, a great many things are missing: basic facilities, skilled labor, experienced management, technical education, strong traditions of individual initiative—all of these, as well as capital, are lacking. Financial assistance is not the only need. We must also help provide the framework in which economic progress can take place at a steady and acceptable rate.

If we expect immediate and spectacular results we will almost certainly be disillusioned. For this is a long-range task. We must, therefore, pursue sound and consistent policies which will demonstrate to the less developed nations that our way of life, our free institutions, can meet the challenge of their problems and their aspirations.

And we must make it clear to all that we are prepared to stay the course!

Let me emphasize my last point. It is inherent to the American character that we are optimists and builders and goal-setters. We like to define a task, then throw our energies into its solution and, with the task completed according to schedule, move on to the next most challenging problem. In our haste to produce quick results we are inclined to become impatient with attitudes and customs inherent in the cultures and traditions of many of the newly emerging countries. We must realize that the task of assisting economic progress in the underdeveloped world is vast and complicated. Inevitably it will become vexing and frustrating. The obstacles are enormous. Indeed, it may appear at times as if we may not succeed. Our maximum efforts will be required over a long period if we are to really help the underdeveloped nations find the path to economic and social progress within a peaceful and democratic order.

Long-Range Purpose in Extending Aid

In view of this long-term commitment—and I am convinced that the majority of the American people have willingly accepted it—what is our long-range purpose in extending aid?

Economic and technical and financial assistance are not intended merely to further economic development as such. For productive capacity and technological skills do not of themselves bring about the full development of a free civilization in which the individual can realize his potential for spiritual growth. We need only recall that Soviet Russia, Communist China, and other bloc

³ *Ibid.*, Apr. 27, 1959, p. 579.

nations possess material assets in varying degrees.

Our interest lies equally in the development of free political institutions, of respect for law, of regard for human decency. We seek to accomplish this by helping the new nations to advance toward modern economic and political status while at the same time maintaining their independence and assuring the possibility of an evolution which safeguards the liberty of the individual. In this way we move closer to our national goal of living prosperously among nations friendly to us, in a world ruled by law under which men can live in peace with justice.

Throughout this 2-day conference you will be privileged to hear detailed and expert analyses of various aspects of America's participation in international economic growth. The list of speakers is most impressive, and I have not wanted to encroach upon their topics. I do, however, want to say a special word about the Development Loan Fund, which offers a very special hope for economic progress to the less developed countries.

The DLF, along with the technical assistance program, is our primary tool in the field of development. It is well regarded by the less developed countries, which prefer to borrow the money for their development. It places the original responsibility for projects on the borrower and insures true mutuality in the development process. The \$700 million which has been requested for fiscal year 1960 is an absolute minimum. Next year the Department of State will recommend a longer term program and I hope a larger program. But first it is essential that we obtain the full amount of our modest request for the next fiscal year.

It is fitting that you should honor former President Truman tonight as you mark the 10th anniversary of "point 4." This program, when it was announced by Mr. Truman,⁴ caught the imagination of people around the world. For it was proof that the United States was responding to the demands of the post-World War II era with a proper combination of idealism and practicality. It is this same combination of intelligent self-interest and typically American concern for the welfare of others that pervades our present-day mutual security program. It is a truly nonparti-

⁴For text of Mr. Truman's inaugural address of Jan. 20, 1949, see *ibid.*, Jan. 30, 1949, p. 123.

san effort which deserves the fullest possible support of all the American people through their representatives in the Congress.

We in the Department of State are currently devoting a great deal of our time to appearing before congressional committees which are making a searching and thoroughgoing review of the mutual security program. This is as it should be, for our aid program is complex and costly. I personally welcome these opportunities to explain and support our foreign aid objectives. For only through this examination can we clarify and simplify the programs so that all our people can have confidence that we are pursuing the right objectives in the right way.

In conclusion, I should like to repeat something Mr. Truman said a year ago in response to criticisms of the mutual security program. He stated, and I quote in part:

There are many people who say they don't like the foreign aid program because they believe it is administered badly. I don't believe that. . . . Examine it all you please, correct all the mistakes you can, improve it every year and every day, eliminate waste and increase efficiency—but don't scuttle the ship just to stop the leaks. . . .

I am sure that there must be many of you here today who will join me in appending a hearty "Amen!" to this forthright statement.

Vice President Nixon To Open U.S. Exhibit at Moscow

White House (Augusta, Ga.) press release dated April 17

The President has named Vice President Nixon to open the American National Exhibition at Moscow next summer on behalf of the American people. The possibility of such a visit has been under consideration in discussions among the President, Secretary Dulles, Acting Secretary of State Herter, U.S. Ambassador to Russia Llewellyn Thompson, and the Vice President.

In making the announcement the President stated:

I am pleased that the Vice President will be able to go to Moscow and represent the American people. These exhibitions are designed to achieve a broader understanding between our two peoples—the kind of mutual understanding upon which our peaceful future depends. It is a hopeful approach. We welcome it wholeheartedly.

The tentative schedule calls for the Vice President to fly to the Soviet Union to open the United States exhibition at Moscow's Sokolniki Park on July 25 and to remain in Moscow for 3 or 4 days.

According to an agreement between the two countries signed last December 29,¹ the United States and the U.S.S.R. are exchanging national exhibitions during the summer of 1959 devoted to the demonstration of the development of science, technology, and culture. The Soviet exhibition will be held in the New York Coliseum. The U.S. exhibition will be in Sokolniki Park, Moscow.

Western Foreign Ministers Agree on Position for Geneva Meeting

Following is the text of a communique issued on April 30 by the Western Foreign Ministers at the conclusion of their meetings at Paris April 29 and 30, together with statements made by Secretary Herter on April 27 upon his departure for the meetings and on May 2 upon his return to Washington, D.C. Meeting with Secretary Herter were Maurice Couve de Murville, Foreign Minister of France, Heinrich von Brentano, Foreign Minister of the Federal Republic of Germany, and Selwyn Lloyd, Foreign Minister of the United Kingdom.

Four-Power Communique of April 30

Press release 299 dated May 1

The Foreign Ministers of the Federal Republic of Germany, France, the United Kingdom and the United States have concluded their meetings in Paris to concert their position on the basis of which to negotiate with the Soviet Union at the forthcoming Geneva conference.

Their discussions were based on the report of the Working Group which has been meeting in London to examine various aspects of these problems.

The Foreign Ministers reiterated the determination enunciated in their meeting in December 1958² and reaffirmed at their recent Washington

¹ For text, see BULLETIN of Jan. 26, 1959, p. 132.

² For text of communique, see BULLETIN of Dec. 29, 1958, p. 1041.

meetings³—to maintain the freedom of the people of West Berlin and the rights and obligations there of the Allied Powers. At the same time they reaffirmed their willingness to enter into negotiations with the Soviet Union with a view to establishing a just and durable peace in Europe.

To this end the Western Ministers reached complete agreement on the position to be presented at Geneva.

The results of the meeting just concluded will be discussed with the North Atlantic Council and arrangements will be made to maintain contact with the Council during the Geneva conference.

Secretary's Statement of April 27

Press release 290 dated April 27

I am leaving for Paris to meet with the Foreign Ministers of France, the United Kingdom, and the German Federal Republic in order to complete preparations for the May 11 Foreign Ministers meeting with the Soviet Union. My British, French, and German colleagues and I will be primarily concerned with reaching final agreement among ourselves on a common Western position on the outstanding questions related to the German problem which can be expected to arise during the Geneva four-power meeting. Much hard work has already been done, and we and our allies have agreed on the main lines of our approach to the complicated problems which we will face at our meeting with the Soviet Foreign Minister [Andrei A. Gromyko]. I am fully confident that in the spirit of cooperation which prevails among all the NATO allies we shall reach the right result.

Secretary's Statement of May 2

I return from a very successful Western Foreign Ministers conference in Paris.

Both in spirit and in substance we reached complete agreement on a highly important Western position. This should assist us greatly in making progress at Geneva, if the Soviet Union demonstrates an honest desire to negotiate.

I shall report to the President at Gettysburg later this morning.

³ For background, see *ibid.*, Apr. 20, 1959, p. 554.

A Review of Negotiations for Discontinuance of Nuclear Weapons Tests

*Statement by Ambassador James J. Wadsworth*¹

Mr. Chairman [Hubert Humphrey], I welcome the opportunity which this committee has given me to appear here and to discuss the Geneva negotiations for the discontinuance of nuclear weapons tests. I understand that the full records of the negotiations are provided to the committee staff as they are received by the Department of State. Members of this committee have served as advisers on the U.S. delegation from time to time, including yourself. That was much too short a stay that you gave us at this time. Perhaps next time you can stay longer, sir. In addition I know the committee has in both public and executive sessions been giving extensive consideration to the negotiations and to the problems of policy involved.

Speaking personally I have been most appreciative of the committee's close and sympathetic interest in the work of the conference.

Because of the extensive knowledge which members of this committee already have of the matters under discussion in Geneva, I shall summarize only briefly the progress and status of the negotiations. After my statement, however, I shall of course welcome an opportunity to discuss any specific questions relating to the negotiations which members of the committee may wish to raise.

As you have said, Mr. Chairman, negotiations have been under way since October 31st of last

year.² Seventy-two formal meetings have been held, as well as a considerable number of informal sessions, on both the political and the technical aspects of the negotiations.

U.S. Proposals at Geneva Meetings

The United States delegation has in the course of these negotiations developed and submitted for the consideration of the conference 14 draft treaty articles. These draft articles set forth in specific treaty language the position and proposals of the United States delegation with respect to the obligation to discontinue nuclear weapons tests and to cooperate with the control organization established under the treaty.

In addition they include a draft preamble, an article on functions of the control commission, an article on the installation and operation of the system in territories of parties to the treaty, an article on the specific obligations to cooperate with the system, an article on the administrator and the international staff of the system, and another on the conference of parties to the treaty.

We have proposed an article on detonations for peaceful purposes and others on parties to the treaty, on periodic review of the system, on duration, on signatures, on ratification, on acceptance and entry into force, and on authentic texts.

We have also supported in the negotiations articles introduced by the United Kingdom delegation on components of the control organization, on the composition of the control commission, on

¹ Made before the Subcommittee on Disarmament of the Senate Foreign Relations Committee on Mar. 25. Mr. Wadsworth is U.S. Representative at the conference on suspension of nuclear tests which began at Geneva, Switzerland, on Oct. 31, 1958.

² For background, see BULLETIN of Nov. 10, 1958, p. 723; Feb. 9, 1959, p. 188; and Feb. 23, 1959, p. 261.

the procedures and voting arrangements within the commission, on relationships with other international organizations, on privileges and immunities, on registration of the treaty with the United Nations, and on annexes to the treaty.

In addition the United States delegation has submitted a draft annex No. 1 to the treaty, which deals in some detail with the detection and identification system. In its 16 articles the annex deals with the establishment of a system, with its components, with data reporting and evaluation, and with the support facilities that would be required. Provision is made for the phased installation of the system, although no detailed provisions on this question have been put forward thus far.

In connection with consideration of the annex the United States and United Kingdom delegations have submitted detailed working papers on the staffing of control posts and of other components of the system.

On the purely technical side our delegation on January 5th submitted for consideration by the other delegations new seismic data which showed that it may be more difficult than had been believed to distinguish between earthquakes and underground nuclear explosions.³ We believe the system agreed at Geneva, if unadjusted, would result in a burdensome number of on-site inspections, which would be the principal remaining tool to identify possible underground nuclear explosions. We proposed that the data be studied carefully by our respective scientists, who would consider how we might overcome the difficulties developed by these data.

The Soviet Union has not yet, however, been willing to join in such studies, and I note, from an unofficial translation of a letter written by Premier Khrushchev to the organization that sent the letters around, that they are badly distorting our actions in this regard; and perhaps at a later time during our session we can discuss this matter more fully.

The important part of the work of the delegation thus far, however, has been the day-to-day process of exploring through carefully detailed presentations and exchanges of views the positions of the respective delegations and ways and means of reconciling these differences within the frame-

work of principles upon which the United States position is based.

Seven Draft Treaty Articles Agreed

Of these, of course, the most fundamental is the requirement for effective international control. Thus far at the conference, as you have said, seven draft treaty articles have been agreed to.

Draft article I states the obligations of parties to the treaty subject to the provisions of the treaty and its annexes—the obligations to discontinue nuclear weapons test explosions at any place under their jurisdiction or control and to refrain from causing or participating in such explosions anywhere.

Draft article II states the obligation of the parties to cooperate fully and promptly with the control organization established under the treaty and to assist the organization in the discharge of its responsibilities.

Draft article III enumerates the component parts of the control organization, namely, a control commission, a detection and identification system, an administrator, and a conference of parties to the treaty.

Draft article IV on the composition of the commission provides that the United States, the United Kingdom, and the Soviet Union would each be represented as permanent members, plus representatives of four other nations party to the treaty, to be elected by the conference of parties.

Three other draft articles have been adopted but have not yet had article numbers assigned. One of these provides for review of the system by the commission at intervals to evaluate its effectiveness and consider whether in the light of experienced scientific progress any specific improvements should be made. Another provides for registration of the treaty with the United Nations, and, finally, an approved duration article provides that the treaty is to remain in force indefinitely subject to the inherent right of a party to withdraw and be relieved of obligations if the provisions of the treaty and its annexes are not being fulfilled and observed, and this, of course, includes the provisions for the timely installation and effective operation of the control system.

Three key issues have developed in the negotiations to date. All three center around the establishment and operation of a reliable control sys-

³ *Ibid.*, Jan. 26, 1959, p. 118.

tem. It is to these three issues that most of our efforts have been devoted in the period since the Christmas recess.

These issues are of importance not only in relation to the current negotiations but also because they could establish a precedent for future agreements on the control of other aspects of disarmament. If an effective control system for discontinuing nuclear tests can be constructed, it could advance the prospects for later agreement on other measures.

It seems useful, then, to summarize these key issues and to look briefly at how the positions of the respective parties to the negotiations would affect the operation of the control system.

Question of Veto

The issues are as follows:

First, the veto. The Soviet Union proposes that the affirmative votes of all three initial parties to the treaty, U.K., U.S., and U.S.S.R., shall be required for all decisions on matters of substance. Only procedural questions, according to the Soviets, would be resolved by simple majority vote.

Under the Soviet formula, which they handed us some weeks ago, each of the three parties would have veto power over the following: amendments to the treaty, all matters relating to treaty violations, the dispatch of inspection teams to investigate events which could be nuclear explosions, the findings of such inspection teams, improvements to the control system, positioning of control posts and establishment of aircraft sampling flight routes, and finally all fiscal, administrative, logistics, and personnel questions.

The United States and the United Kingdom maintain that this across-the-board application of the veto power would render the control system meaningless and ineffective. It would give a possible violator full power to prevent the dispatch of inspection teams to the site where a suspected nuclear explosion took place or to prevent special aircraft flight to investigate, in the case of an unidentified event, whether a radioactive cloud is present.

While data obtained by instruments at the control posts would in a number of cases conclusively identify certain signals as natural events, in many cases aircraft flights and particularly on-site inspection would be required to determine whether

a violation had occurred. Thus the entire purpose of the control system to verify that a nuclear explosion did or did not take place could be frustrated by the veto of a possible violator.

The United States and the United Kingdom believe that it is essential that there be no veto power over decisions relating to the everyday operations of the control system.

While there are certain matters such as amendments to the treaty which could, and we believe should, require affirmative action of the three permanent members, the United States and the United Kingdom believe that the factfinding process of the system should be as nearly automatic as possible. The evidence of the scientific instruments must be paramount, and it must be possible to follow through on that evidence without hindrance.

The knowledge that such followthrough may automatically take place is the major deterrent to a potential violator. But if the possible violator knows in advance that he will have the chance to halt the investigation process before it can start, and before therefore it could verify his violation, he could then feel free to circumvent the agreement with impunity. And, as the Secretary of State [John Foster Dulles] has said, this would make a shambles of the entire project.

The Soviet Union contends that the permanent members of the control commission must possess absolute veto powers because the commission would also provide an automatic majority for the United States-United Kingdom side. This is a charge repeated in the latest Khrushchev statement.

As you know, Mr. Chairman, the United States and the United Kingdom have pointed out that the commission, international in composition, would not be so made up as to be capable of domination by any one or any two of the permanent members.

There are several formulas, one of which you have suggested yourself, which might be considered in this situation.

On-Site Inspection

Now, the second of the major issues between us in the negotiation is that of the on-site inspection itself.

The Soviets propose that inspection of an unidentified event shall be carried out only after a

positive decision by the control commission, which must include the affirmative votes again, of course, of the three permanent members. After the control commission had consulted with the government on whose territory the event had taken place, inspection teams would then be created on an *ad hoc* basis, apparently drawn from personnel at the headquarters, for each event to be inspected, and they would be composed of nationals from the country to be inspected, accompanied by what they [the Soviets] call "foreign specialists" from the other side.

As already stated, we believe the decision to dispatch on-site inspection teams must not be subject to a veto. But further than that, the U.S. and the U.K. believe that numerous delays could accompany the formation of *ad hoc* inspection teams so that by the time they were dispatched the evidence of the suspected event, if in fact a nuclear explosion, could have been well concealed.

The U.S. and U.K. also maintain that inspection teams originated on an *ad hoc* basis could not be adequately trained or equipped, as, for example, to conduct possible drilling operations.

What is required is trained, permanent, mobile inspection teams which could be promptly dispatched to the site of an event suspected of being a nuclear explosion and which would be internationally staffed and not staffed by nationals of the country being inspected.

The Soviet Union claims that these teams could travel unhindered throughout the U.S.S.R. and could act as a cover for espionage. They contend that the experts' report⁴ did not envisage any such inspection teams as proposed by the United States and the United Kingdom.

However, the experts' report, while not describing the character of these inspection teams in detail, concluded that,

When the control posts detect an event which cannot be identified by the international control organ and which could be suspected of being a nuclear explosion, the international control organ can send an inspection group to the site of this event. . . .

Also, there is nothing in the experts' report, nor in subsequent U.S.-U.K. proposals, which would lend credence to the assertion that inspection teams would have the license to roam indiscriminately for espionage purposes in any country.

However, in order to overcome Soviet concern on this matter the United States and the United Kingdom have suggested that the host country could prescribe the routes to be taken by on-site inspection teams and could assign liaison officers to insure that inspections did not exceed their proper function.

Staffing Control Posts

The third and final issue is that of staffing of control posts, which also includes some of the staffing in other components such as inspection teams. The Soviet Union has proposed that all supervisory, technical, and service personnel at control posts shall be nationals of the country in which the post is located. However, what they term the "other side" may station four or five what they now call "foreign specialists"—they used to call them "controllers"—to observe the operation of the control posts.

We have attempted, without success, to find out what the exact nature of the prerogatives and duties of such personnel would be, and the clarifications which we have requested have not been made. They continue to talk about functions similar to the functions of the other technicians in the control post. They continue to talk about the possibility that such foreign specialists can fill what they call leading positions, but they refuse to answer where these people would be in the chain of command or whether they would have actual supervision over groups of personnel or over equipment.

Under these conditions the United States and the United Kingdom consider that such a staffing pattern, being all host country except for these few foreigners, would be tantamount to self-inspection.

The Western delegations maintain that all supervisory and senior-technical positions, which would comprise about one-third of the control post complement, should be filled by nationals of the United States and United Kingdom in each post located on the territory of the U.S.S.R., with an equal number of U.S.S.R. personnel in each post located in the United States and United Kingdom. Technical personnel, which would constitute another one-third of the complement at each control post, would be international and would be recruited from countries other than the three permanent members of the commission.

⁴ For text, see *ibid.*, Sept. 22, 1958, p. 453.

The remaining one-third, which would be largely service personnel, would probably be nationals of the country in which the post is located.

We have also proposed that the state on whose territory posts are located may station observers at each post to satisfy itself that the post is being operated in an objective manner.

These then, Mr. Chairman, are the main issues which have thus far been considered. The United States delegation, for its part, is continuing its efforts to arrive at sound solutions to the difficult problems involved and to implement the policy of the United States Government to seek a permanent discontinuance of nuclear weapons tests under effective international control.

President Offers Soviet Premier Alternative Approach to Test Ban

Following is an exchange of correspondence between President Eisenhower and Nikita Khrushchev, Chairman of the Council of Ministers of the Union of Soviet Socialist Republics, together with a White House statement.

THE PRESIDENT TO PREMIER KHRUSHCHEV

White House (Augusta, Ga.) press release dated April 20

APRIL 13, 1959

DEAR MR. CHAIRMAN: Today the Geneva negotiations for the discontinuance of nuclear weapons tests are resuming. During the recess I have considered where we stand in these negotiations and what the prospects are for the successful conclusion which I earnestly desire. I have also talked with Prime Minister Macmillan,¹ who reported to me of his frank discussions on this matter with you.

The United States strongly seeks a lasting agreement for the discontinuance of nuclear weapons tests. We believe that this would be an important step toward reduction of international tensions and would open the way to further agreement on substantial measures of disarmament.

Such an agreement must, however, be subject to

¹ Prime Minister Harold Macmillan of the United Kingdom was in Washington for informal discussions from March 19 to 24.

fully effective safeguards to insure the security interests of all parties, and we believe that present proposals of the Soviet Union fall short of providing assurance of the type of effective control in which all parties can have confidence; therefore, no basis for agreement is now in sight.

In my view, these negotiations must not be permitted completely to fail. If indeed the Soviet Union insists on the veto on the fact finding activities of the control system with regard to possible underground detonations, I believe that there is a way in which we can hold fast to the progress already made in these negotiations and no longer delay in putting into effect the initial agreements which are within our grasp. Could we not, Mr. Chairman, put the agreement into effect in phases beginning with a prohibition of nuclear weapons tests in the atmosphere? A simplified control system for atmospheric tests up to fifty kilometers could be readily derived from the Geneva experts' report,² and would not require the automatic on-site inspection which has created the major stumbling block in the negotiations so far.

My representative [Ambassador James J. Wadsworth] is putting forward this suggestion in Geneva today. I urge your serious consideration of this possible course of action. If you are prepared to change your present position on the veto, on procedures for on-site inspection, and on early discussion of concrete measures for high altitude detection, we can of course proceed promptly in the hope of concluding the negotiation of a comprehensive agreement for suspension of nuclear weapons tests. If you are not yet ready to go this far, then I propose that we take the first and readily attainable step of an agreed suspension of nuclear weapons tests in the atmosphere up to fifty kilometers while the political and technical problems associated with control of underground and outer space tests are being resolved. If we could agree to such initial implementation of the first—and I might add the most important—phase of a test suspension agreement, our negotiators could continue to explore with new hope the political and technical problems involved in extending the agreement as quickly as possible to cover all nuclear weapons tests. Meanwhile, fears of unrestricted resumption of nuclear weapons testing with attendant additions to levels of radio-

² For text, see BULLETIN of Sept. 22, 1958, p. 453.

activity would be allayed, and we would be gaining practical experience and confidence in the operation of an international control system.

I trust that one of these paths to agreement will commend itself to you and permit the resuming negotiations to make a far-reaching response to the hopes of mankind.

Sincerely,

DWIGHT D. EISENHOWER

PREMIER KHRUSHCHEV TO THE PRESIDENT

Official translation

DEAR MR. PRESIDENT: I have received your communication of April 13 in connection with the renewal of negotiations at Geneva on the cessation of nuclear weapons tests. I am glad that you also are of the opinion that these negotiations must not be allowed to fail.

You ask whether we could begin by coming to an agreement to stop nuclear weapons tests exclusively in the air at altitudes of up to 50 kilometers, leaving aside temporarily the solution of the question of the cessation of other types of nuclear explosions, that is to say, at altitudes of more than 50 kilometers and under ground.

The Soviet Government has studied with all care and thoroughness the considerations set forth in your communication, and considers that the cessation of only those explosions of nuclear weapons which take place at altitudes of up to 50 kilometers does not solve the problem.

If we were to sign such an agreement now the question would arise as to what it would offer to peoples that now long for complete prohibition of all tests of nuclear weapons. By such an action we would only be misleading the public, since in fact the tests would continue to be carried out under ground and at higher altitudes. Thus the aim which is before us—that of preventing the production of new and ever more destructive types of nuclear weapons—would not be attained.

On the other hand, explosions of nuclear weapons at altitudes of more than 50 kilometers would also poison the atmosphere and the earth, contaminating with radioactive fallout the vegetation which finds its way into the food of animals and into the human organism, just as is occurring at the present time. I think that you will agree with me that, from the viewpoint of concern for human health, it does not make any difference whether radioactive fallout originates in an explosion carried out at an altitude of 40 or, let us say, 60 kilometers. Consequently, from this point of view the objective toward which we must move would still not be attained. Thus, peoples would have a right to judge and condemn the conclusion of a treaty on the cessation of tests in the air alone at altitudes of up to 50 kilometers as a dishonest deal. It goes without saying that such a treaty could be concluded only if there were assumed a lack of awareness on the part of the public at large. This is something that is not possible at the present time, for scientists would immediately understand the meaning of such a treaty and

make it clear that it would not solve the problem but would leave the situation just as it was before the conclusion of the treaty.

I feel, Mr. President, that we should not be stopped by difficulties and that we should find in ourselves the strength of will and an understanding of the need to conclude a treaty that would provide for the cessation of all types of nuclear weapons tests—in the air, under ground, under water, and at high altitudes.

It is my opinion that, on the basis of the proposals made by you and by us, we are quite able to find a solution to the problem of discontinuing tests that would satisfy both the interests of the powers having nuclear weapons and the interests of all other countries, and to establish such controls as would guarantee strict observance of the treaty.

It seems that the most serious difference between us is the question of the sending of inspection teams for the investigation of phenomena suspected of being nuclear explosions.

As you know, during his stay in Moscow Prime Minister Macmillan of Great Britain expressed the opinion that it would be possible to agree to carry out each year a certain previously determined number of inspections on the territory of the Soviet Union as well as on the territories of the U.S.A., Great Britain, and their possessions if the reports of control posts would indicate the existence of phenomena that might be suspected of being nuclear explosions. It is understood that such inspections would not be numerous. I consider that, strictly speaking, it would not be necessary for many trips to be made to each country.

The very fact of possible investigation in areas where test instruments indicate the existence of phenomena suspected of being nuclear explosions would deter governments or persons within governments who might wish to carry out explosions in violation of the obligations undertaken by them. This is understandable, since in such case no government and no organization within such a government could be free from actual inspection of the areas in which it is suspected that nuclear explosions are being carried out. Naturally such suspicions must be based, not on conclusions on the part of persons working in the control organization but on objective readings of instruments.

In conclusion, Mr. President, I should like to express the hope that the proposals put forward by the Soviet Government will meet with understanding on your part and that an agreement will be reached between us on one of the most important and acute problems of our time. For our part, we shall make every effort to achieve agreement on the cessation of nuclear weapons tests, and you can be certain that if we sign a document we shall, even if there is no control whatsoever, faithfully carry out the obligations assumed by us, because for the Soviet Union public opinion and the opinion of nations is dearer than anything else.

Respectfully yours,

N. KHRUSHCHEV

April 23, 1959

His Excellency DWIGHT D. EISENHOWER,
President of the United States of America

WHITE HOUSE STATEMENT³

The President and the Secretary of State are disappointed that Mr. Khrushchev has not been willing to take the practical and immediately feasible measure of nuclear test suspension proposed in the President's letter of April 13th.

Contrary to the impression given in Mr. Khrushchev's letter, the United States does want a complete test ban. That is what President Eisenhower proposed in August 1958⁴ and what we have been trying to get agreement on for 5 months in Geneva. The Soviets have thus far, however, been unwilling to accept the controls which would make such agreement possible.

The Soviet suggestion does not address itself to the key point—the veto—which has thus far blocked agreement. The President and the Secretary of State hope that, when clarified, the Soviet position may reflect a change in attitude on this question so that progress can be achieved.

The Sound Dollar, a Foundation Stone of American Leadership

*Remarks by President Eisenhower*¹

It is a pleasant duty to welcome you here to the Nation's capital. I have been looking forward to the opportunity to come here, one reason being that I wanted to thank you in person for the work you have done in helping cut down Federal expenditures and therefore sustaining a sound and good American dollar.

This business of trying to keep expenditures down and the budget balanced is of course criticized by some as meaning that an administration or a legislator or any other official is exhibiting more concern about a dollar than about some particular activity that the critic believes is far more important. Now, a balanced budget in itself is not a sacred word, but on the other hand it is not a bad word. And if it means that we are living

within our means it gives, first of all, confidence to our people—the feeling that, if the Government has to spend this much money, at least they are getting in that much in the coffers and we are not going deeper in debt, paying more interest or putting out more money into circulation.

It also has another effect on our friends. The Secretary of the Treasury [Robert B. Anderson] told me, when he came back from New Delhi a couple of months back, that he was questioned by 21 different governments as to our ability to pay our bills and therefore to keep the dollar as sound as it needs to be if we, America, are to be secure in our alliances and do our part in making certain that communism will make no inroads into the free world.

So, in thanking you for the work you have done along this line, I want to make also a special request of you. You are employers of men and women, and I think one of the most important problems that the United States has today in its leadership—whether that leadership be political, whether it is business or it is labor, professional or anything else—is to have people that really understand the considerations and factors that come into the matter of fiscal integrity and to have the compulsion within themselves of informing others.

The strongest force in a democracy is an informed public opinion. And if that public opinion is informed, then that force will be exerted wisely. I can't conceive of a better and finer occupation, really a vocation rather than an avocation, for anyone who is employing others and dealing with others and advising with others than to use his influence in making certain that these basic considerations and factors of our great fiscal problems are understood.

I feel that it is not necessary for me to dwell upon the need today for our national security against the threat that is constantly posed, that I do not need to plead for support in making certain that our alliances are sound, that we do our proper part in making certain that we keep the opportunities open for trade, to defend ourselves, and to raise the standards of living that make for that kind of morale that freedom needs to have if it is going to defeat communism. I think those matters are understood well by you. And I merely want to say again, the fight that I am making for a balanced budget, for the sound-

³ Read to news correspondents on Apr. 27 by James C. Hagerty, Press Secretary to the President (White House press release).

⁴ BULLETIN of Sept. 8, 1958, p. 378.

¹ Made before the National Association of Manufacturers at Washington, D.C., on Apr. 23 (White House press release).

ness of the dollar, for combating inflation, is merely to make certain that one of the foundation stones of all of these necessary activities is there—that it is not destroyed—and thus makes it possible for us to build in this world intelligently and soundly, for ourselves and for our future.

And so I bring again not only thanks but congratulations and my very best wishes for a fine and enjoyable meeting while you are here. Thank you very much.

Strengthening the Instruments of Freedom

Remarks by President Eisenhower¹

It is a privilege to meet with you at this annual convention. It is particularly gratifying that in such meetings you, leaders of the business community from all parts of the country, concern yourselves with the broad range of problems of great importance to our Nation's life. In this way you demonstrate the deep sense of civic responsibility which characterizes modern American business.

On our part we of Government look to the business community because of the vital role that this great force plays in contributing to American thinking and decisions, in helping to build America's security, and in expanding her economy.

To sustain the Nation's position in this world, sharply divided as it is between the values of freedom on one side and the aggressive purposes of a communistic and atheistic dictatorship on the other, is a many-sided task.

At the outset we must recognize one incontestable truth: In the face of the announced Communist intention to dominate the world, isolation for America is a futile and fatal policy. The fortunes of the free world are the fortunes of America. Our free society and our prosperity will flourish if freedom and progress flourish elsewhere. Our fortunes, our liberty, and, indeed, our lives will be imperiled if the independence and welfare of other free nations are imperiled. Con-

¹ Made before the United States Chamber of Commerce at Washington, D.C., on Apr. 27 (White House press release).

sequently, it is for us imperative that, if international communism is to be frustrated in its drive for world domination, there be a system of nations in which liberty, justice, and human dignity are the permanent pillars of society.

We have first to assure our own Nation's defensive and deterrent power. Beyond this, we know that the overrunning of any free nation would transfer the resources of that nation to communism and, by that much, weaken the free world. Should this step-by-step process be allowed to continue indefinitely, even our great Nation would face eventual encirclement and the result would be catastrophic.

We live in a climate of tension and challenge. We confront world communism in a protracted struggle in which we are menaced by political, economic, and military resources. As long as the Communists pursue their basic goal along broad and diverse fronts, we have no choice but to meet the challenge wherever or however it may be presented.

Need for a Sound Economy

Now, in the complicated problem of protecting freedom, one of America's essential requirements is to maintain an expanding national economy based upon a sound and stable dollar.

A strong economy is the physical basis of all our military power. A sound economy is proof to ourselves and to all others that we have the capacity to do indefinitely whatever we need to do in protecting our basic interests. Such an economy also provides the working proof that it can produce a standard of living which a regimented economy cannot remotely approach.

But there is still another reason for us to make certain of the health and growth of the American economy. Nations less developed and smaller than ourselves, and which are more nakedly exposed to the Communist threat, cannot support their independence and liberty without some assistance from our economy. Whether the main weight of the Communist threat applied at any given point be military, political, or economic, the threatened area requires help from the more fortunately situated nations. Among these we are preeminent. And now that the Communists are adding to their threat of military force an increased threat of penetration through economic methods, the need

for our economic strength and soundness and our assistance to others becomes even clearer.

Recognizing, then, the community of interest among the free nations to sustain our collective and individual safety, we must strive to make our cooperative associations stronger and more effective. The strongest tie that binds us together is a spiritual one—our common belief that the human values we support and defend are priceless beyond life itself.

Because we all, regardless of differences in religion, race, and culture, are dedicated to the protection of these values, we have devised organizational mechanisms through which we may more closely cooperate in the common effort and, through unity, achieve greater strength to assure success. Each of the free nations so associated supplies what it is best able to provide for the common defense. The contribution of our allies in numbers of men in the armed services far exceeds our own. Not always, however, can they alone maintain these numbers and at the same time provide even the minimum standard of living necessary to sustain health, hope, and morale. In these cases we see that it is to our advantage to provide some financial help.

Clearly, mutual security and the Nation's security are synonymous.

I cannot reemphasize too strongly that in our struggle against Soviet imperialism we must have firm friends and willing allies. We must, through patient work, promote collective growth and strength. Aside from the material assistance we may provide through weapons and private and public loans, we must help to produce a freer flow of world trade. We must do this without prejudice to our national security and without inflicting undue hardship on our local producers.

Especially among the less developed countries we must use every available means—political, technical, professional, and material—to assure that these people not only add to the free world's strength but eventually become valued participants as both sellers and buyers in the markets of world trade.

Such examples as these are those of what we Americans can do and are doing to promote our security and to build a new fraternity of peace-loving nations. There are, of course, many others.

Of one thing I am sure. Our investments in this work are the most fruitful we can make or do make. Our returns are earned in terms of greater security, stronger and sturdier friends with which to live and to work and to trade, and in more enthusiastic supporters in the search for peace and security.

No Room for Selfishness

Wisdom, a nation's wisdom, is needed. There is no room in America for narrow selfishness, either personal or collective. We must look frankly at the problem as it stands now before us and as it will change and develop in the future. We must strive to eliminate stupidity, prejudice, arrogance, and ignorance from our thinking. We must, as a people, employ the greatest degree of wisdom that we can, as humans, achieve.

Many of the decisions to be made in this great effort belong to the businessman rather than exclusively or even primarily to the Government. In the fields of private investment abroad and in promoting a greater volume of trade, there is much you can do to increase free-world cohesion and strength.

Moreover, I hope that each of you in America's business community will work tirelessly for a better national awareness of the challenge before us and the character of the response we must make both in our own interests and in those of all humanity. Success demands the force of an informed public opinion to strengthen the instruments of freedom in the free-world community. As business, community, and national leaders—leaders who do not panic under threat or grow complacent in apparent success—you have a priceless opportunity to help promote the understanding through which the needed public opinion can be produced.

At this point I mention with deep gratification the resolution of support for the mutual security program passed by this chamber a few short months ago. I am quite certain that all America applauds your forward-looking and decisive action.

Each year will bring new problems, always demanding the very best that is in us. And there will be no stopping or resting or turning back. We face a future of building and living, patiently

and unflinchingly, in the shadow of danger—yet for all this, a brightly hopeful future for a nation and its friends which keep themselves strong, solvent, and free and who fight basically, and who fight only, for peace—a peace with justice for all.

Thank you very much.

President Approves Meeting on World Refugee Year

White House press release dated April 30

White House Announcement

The President on April 30 announced his approval of a White House meeting on May 21-22 for the purpose of discussing U.S. participation in the World Refugee Year. This special year was established by a United Nations General Assembly resolution of December 5, 1958, and will begin in June 1959. It is intended to focus world attention on refugee problems.

The President responded favorably to a letter from The Very Reverend Francis B. Sayre, Jr., Dean of the Washington Cathedral and chairman of the board of the United States Committee for Refugees.

Speaking of the World Refugee Year, Dean Sayre wrote in part: "No time can be lost in planning for United States participation. Accordingly, I was directed to ask you whether you would sponsor a rather informal White House meeting at which members of our Committee and other invited participants could discuss and plan for an American contribution to the Refugee Year. Such a meeting would seem to us to be of equal service to the members of your government and to the American people in general."

President's Letter to Dean Francis B. Sayre, Jr.

DEAR DEAN SAYRE: I will certainly be happy to sponsor a White House meeting for a discussion of the role which the American people and their government should play in the World Refugee Year beginning in June 1959. I have set May 21

and May 22 for such a meeting, to be held in the Indian Treaty Room of the Executive Office Building under the direction of Deputy Under Secretary of State Loy W. Henderson. It is my plan to invite to it a representative group of private citizens whose interest and experience should prove of utmost value in considering all aspects of this important matter.

It is most gratifying to me that the United States Committee for Refugees has been willing to assume a major responsibility for mobilizing the private resources of this country to meet the objectives of the World Refugee Year. Your efforts, I know, will do much to insure that the response of the American people will be generous, and that the traditional American leadership in the refugee field will be maintained. I will be unable personally to participate in the meeting, but I hope that it will assist in the formulation of specific plans for the World Refugee Year, as I am sure it will assist the government.

I assure you that this Administration will support the World Refugee Year, and will continue to cooperate with our own citizens' groups and with other governments of the free world to help resolve the grave humanitarian problem of refugees.

Sincerely,

DWIGHT D. EISENHOWER

The Very Reverend FRANCIS B. SAYRE, JR.
Dean of the Washington Cathedral
Mount Saint Albans
Washington, D.C.

Letters of Credence

Guinea

The newly appointed Ambassador of the Republic of Guinea, Telli Boubacar Diallo, presented his credentials to President Eisenhower on April 27. For texts of the Ambassador's remarks and the President's reply, see Department of State press release 288.

U.S. Foreign Policy—A Blend of Principles and Practicality

*by Deputy Under Secretary Murphy*¹

We are all aware that this Nation had its early origins in the search by its citizens for religious freedom and that it came into being when the same sort of people were willing to risk their lives in defense of concepts of political liberty based upon religious faith. It is not surprising, then, that our policies over the years have reflected the devotion of our people to principles of conduct related to our beliefs. And now that we have taken up a leading role in world affairs, it is clear that our people are concerned that in the same way our foreign dealings should reflect what we think of as standards of right action.

Of course there can be difficulties in the path of a nation, or an individual, which seeks to govern its conduct in the world by an ethical code. Perhaps Machiavelli referred to such difficulties when he said, in his rather bitter way, that "a man who wishes to make a profession of goodness must necessarily come to grief among so many who are not good." Or, as Plato put it, "In their youth good men often appear to be simple, and are easily practiced upon by the dishonest"—presumably because they have not had sufficient experience in dealing with evil.

Just after the Second World War, while this country was still awakening to the facts of international life, we had a painful and costly demonstration of just what Plato meant. We wanted peace and had no aggressive aims; so we disarmed. We intended to keep our own promises and were inclined to trust others to keep theirs. We had material plenty while others were in want; so we shared with them.

But all too soon we found that a lack of military

strength does not prevent aggression but may even encourage it. We learned that to Communists "promises are like piecrusts, made to be broken." We found our generosity attacked on the one hand as "fuzzy-minded do-gooding" and on the other as a shameless effort at "buying friends." It began to seem, as Leo Durocher once put it, that "nice guys don't win pennants."

But of course the problem lay not in our intentions but in our methods. After the shape of Soviet ambitions became clear we saw that we must rearm to guard the peace. And, uneasy though it may have been, peace has so far been preserved. We have come to see that we can rely upon agreements with Communist nations only where those agreements are capable of enforcement. We have come to see that programs of assistance are neither donations nor bribes but a means of enabling our neighbors to preserve their freedom and prosperity, which are as necessary to our own survival as to theirs.

So one lesson is clear: In attempting to follow the precepts of religion in American life or in American policy, either one, what we face is not the obvious, comfortable choice of the television westerns, between the good guys and the bad guys, between blameless good and utter evil, but rather the subtle and sophisticated task of threading out solutions—which are at the same moment practical and in harmony with our best beliefs—to intricate and demanding problems.

This is a lesson, I submit, of broad applicability. Many of you here are businessmen. I happen to follow the profession of diplomacy. Contrary to some of the folklore, neither business nor diplomacy demands abandonment of scruples as the key to achievement. But neither field puts a premium on blind crusading. The greatest long-term re-

¹ Address made before Religion in American Life, Inc., at New York, N.Y., on Apr. 30 (press release 295).

ward goes to a sensible blending of practicality with decency.

Of course even with the best of policies perfection is hard to come by, either in diplomacy or in business. So we lose a little sleep now and then wondering whether we did as well as we might have done the last time and whether perhaps we can do a little better the next. All of this contributes to a thoroughly adult situation with no sugar coating, and it gives us a need at intervals to examine rather humbly our shortcomings and to search for sources of strength and understanding beyond our own.

The Berlin Situation

The current situation relating to Berlin furnishes an example which is both vivid and urgent of the manner in which principle and practicality are interwoven in our affairs. In the first days after the Second World War Berlin was a token of Western good faith, a test tube of the possibility of cooperation with the Soviet Union.

It is easy to criticize by hindsight, to accuse ourselves of naivete in those days. Perhaps we had to learn a national lesson about doing business with certain kinds of people. We might wish that the lesson had been learned at less cost, in terms of the number of nations which lost their freedom in the early postwar years. But we may hope the lesson has now been learned well enough to govern our actions for a long time to come.

After the experiment in cooperation failed, Berlin next became a proving ground of free-world resolution. This time the Russians miscalculated. Taking good will as a sign of weakness, they thought they could force us out of the city by blockade. It is a revealing and at the same time a somewhat melancholy experience to those of us who were closely involved in that critical situation of 1948 to find its pattern repeated again 10 years later. Through the stoutness of the West Berliners and the boldness of the famous airlift, the blockade was defeated, and the result was the Paris agreement of 1949,² which confirmed Western rights of access to and presence in Berlin.

So we find that the 10th anniversary of an organization devoted to the cause of religion in American life is also a 10th anniversary, as well as a recurrence, of an episode which strongly

underlines the need for faith as a source of steadfastness in our lives.

History has renewed the mandate.

Berlin is still a testing ground today, but it is also a symbol and rallying point of freedom. So long as allied access is maintained it will serve as a show window behind the Iron Curtain, dramatizing the contrast between the almost miraculous productiveness of men who live in freedom and the drab despair of a regimented life. As John Foster Dulles has put it, "Freedom is a magnet that attracts." As long as West Berlin remains free, it is an earnest of the Western intention not to be intimidated by threats of force. It provides a rallying point not only for Europe but for all the non-Communist world. Occasionally the question has been asked whether it would really be worth it to go to war over the issue of who stamps some documents on the autobahn. That is not the issue. The issue is the faith in freedom and the will to resist of most people on the globe.

U.S. Policy on Berlin

So Berlin in the past has been a token of good faith, a testing ground of Western resolution, and a beacon light of freedom. Our policy for dealing with Berlin in the present and future is based upon four points.

First, we have widely and clearly acknowledged a moral obligation to the over 2 million West Berliners, an obligation which would never permit us to abandon them to tyranny.

Second, we are believers in and defenders of the sacredness of international obligations. The status of Germany and Berlin was determined by agreement among the occupying powers and has been confirmed by 15 years of testing and use. There is no hope for a stronger world order or a firmer peace unless we can protect and increase respect for the rule of law, in place of the rule of the aggressor or of war, for governing international dealings.

Third, we have and we intend to keep the military strength sufficient to punish devastatingly any military attack which might be attempted. Therefore, we can afford to be confident of our position, peaceful in intent, and reasonable in our dealings. As Sir Winston Churchill has said, "We arm to parley."

And fourth, we are willing to negotiate and we are negotiating. We will not retreat an inch from

² For text, see BULLETIN of July 4, 1949, p. 857.

our obligation. We will not be bullied. We hope for the eventual resolution of the issues that divide the East from the West and a reduction of the tensions that result. We know that the odds against real progress at any given meeting are considerable, but we have to start somewhere and we intend to keep trying.

We were too blindly trusting right after the Second World War, and our world position was weakened in part because of this very willingness to trust. Now we must be careful not to go to the opposite extreme. The fact that agreements which could not be enforced were not enforced is no indication that we should not work for agreements which can be enforced.

The flights into Berlin of our C-130 cargo planes on the eve of the Foreign Ministers Conference have caused, as you know, concern in some sections of the press and have more recently brought a considerable propaganda reaction from the Soviet Union.³

It is probable that the second reaction is related to the first. I suspect that the Soviet leaders may have been initially reluctant to draw attention to the air-access problem on the grounds that to do so would tend to harden the United States in its attitude toward high-altitude flights. But their hope for an opportunity to exploit Western differences and cast the United States in the role of "disturbers of the peace" perhaps outweighed their early reluctance to speak. Perhaps also they have concluded that we intend to exercise our rights in any case. I would like to think so.

The question of whether or not we should fully exercise our access rights on the eve of a conference reminds me of a tradition in tropical countries that, if you walk through the jungle and are afraid, the animals will smell it and will attack you. If you are not afraid, they will leave you alone.

We are not disturbers of the peace. We are not afraid. We remain willing to negotiate.

The Record of Negotiation

It might be well to examine for a moment the question of negotiation and international cooperation. It plays a central role in our policy today; so it is well to know its background.

³ For an exchange of notes between the U.S. and Soviet Governments on the subject of flights in the Berlin air corridor, see *ibid.*, May 4, 1959, p. 632.

The world took a great step forward in the effort to replace the rule of war with a rule of law by the establishment in 1945 of the United Nations. The Soviet veto has so far prevented fulfillment of its high purpose.

There is a place in our affairs for such acts of vision and faith as the founding of the United Nations, for they sketch out boldly the outlines of what could be and thus give us a high target at which to aim. As we have already seen, there is no less a need for more limited efforts which are capable of earlier fulfillment. The success of NATO and the recent solution to the Cyprus problem are two practical demonstrations of what can be accomplished among nations which recognize common purposes and deal in good faith. NATO, a regional organization, was created in harmony with the charter of the United Nations to function where the United Nations was powerless to act, in checking the Communist advance in Europe. It did this and created a trend toward consultation and cooperation which holds great promise for the future.

The progress that has been made toward a solution to the tangled and dangerous Cyprus dispute has been achieved and a crisis averted through the efforts of the nations involved, without external interference. Now the road is open for the creation of a new nation and an increase of the stability and security of the eastern Mediterranean area.

Against these happy developments, events in Tibet stand in dark and tragic contrast. The suppression of Tibetan freedom, like the crushing of Hungary, demonstrates the bloody toll Communists exact from subject peoples who resist their wishes. The freedom of worship of the Tibetan people and the right to handle their own domestic affairs were supposedly guaranteed by the Chinese Communists. As the Dalai Lama has testified, these promises from the beginning were ignored.

The Communist propaganda reaction to the Dalai Lama's account of his escape from Tibet includes a claim that the rebellion "will end before long," a statement which represents an admission on the part of the Chinese Communists that the rebellion still continues. The Peiping release also claims the crushing of a rebel group in southeastern Tibet, their first identification of a specific area outside Lhasa to which the rebellion has spread.

The Chinese Communist propaganda gives evidence of the Chinese Communists' extreme sensitivity to talk of Tibetan independence and is equally remarkable for a lack of concern for Indian sensibilities. They challenge the authenticity of the Dalai Lama's statement, alleging that it was "imposed on him by some person or persons" and "issued through an Indian diplomatic official." Peiping continues to maintain that the Dalai Lama was abducted from Lhasa, speaks of "Indian expansionist elements," and declares that the Dalai Lama was surrounded by, as they delicately phrase it, "a gang of reactionaries" during his visit to India in 1956.

The heavyhandedness of the Chinese Communist propaganda line concerning the Tibetan question seems to indicate a rigid determination, even to the point of overconfidence, to press relentlessly forward with the communization of Tibet. The wholehearted Asian disapproval of Peiping's action has probably induced the Chinese Communists to show signs of irrationality and ill judgment which sometimes seize Communist governments in a visibly indefensible position on a sensitive issue. In such situations they are incapable of finding any alternative other than continued reliance on the use of force in their actions and the threat of force in their propaganda.

The difficulty facing any power, great or small, in attempting to reach a realistic and enforceable agreement with the Soviet Union has been demonstrated by its response to Western efforts to achieve any sort of limitation on arms. We have seen more than once that negotiations can be used by Communists for other purposes than reaching agreements, and, even where they intend eventually to come to terms, they are tough, stubborn bargainers, who will probe for every weakness, testing our nerves and patience to the limit before they yield a point.

But the record shows that occasionally useful agreements can be reached. The Soviet Union refused to agree to an Austrian state treaty during 264 meetings over a period of years. Then suddenly it yielded through force of circumstances, and agreement was reached. At first, also, the Russians refused to go along with President Eisenhower's atoms-for-peace plan. The free nations went ahead without them, and when it began to seem that they might be left behind, they joined and the treaty creating the International Atomic Energy Agency was signed.

Therefore we enter this latest phase of the negotiations between the West and the Communist world with the knowledge that, if we try for too much, we will undoubtedly fall short and that, if we should rely upon promises alone, it might well end in disaster. We know that we face hard, relentless bargainers. At the same time we are aware that small forward steps have safely been taken in the past and that further steps may be possible. We are conscious of the vast possibilities for maintaining stability and strength which are open through consultation and cooperation among the free nations, and we know that such strength forms the basis of our bargaining position as we approach any dealings with the other side.

I believe we should welcome the pending negotiations as an opportunity to try again to achieve progress toward peace, rather than fear them as entailing the possibility that we are somehow going to be unwittingly swindled or precipitated into war. There is no need to be deceived if we are careful. I frankly do not believe the Soviet leadership wants war or that we are going to fall into one by sheer accident. Fear only interferes with our ability to think. We have not provoked the Berlin issue. We are prepared to negotiate on the merits of the case.

Maintaining a "Forward Defense"

As we concern ourselves with current challenges and opportunities, we must also bear in mind the broader issues and longer range problems which underlie them. Our basic strategy in the world struggle is to maintain a "forward defense." Rather than putting freedom's first line on the last ditch—our own shores—we have put the ramparts of freedom on the frontiers of freedom, on the borders of the Communist world. Thus we gain the maximum of strategic advantage at a minimum of cost to any single nation.

But if the maintenance of a global defense position yields definite advantages, it also involves certain difficulties, especially in a community of sovereign nations. The United States cannot "order" this nation or that to pursue a policy we think wise. To do so would not only deny our own principles, but it would not work. Even where we know that certain problems in one country or another are of Communist origin—Communist-inspired—we cannot simply march in and root them out. We face delicate problems

when subversion hides behind the mask of constitutionality.

In the field of carpentry it is usually most practical to build with the materials at hand. Or in military affairs one seeks to take advantage of the natural cover provided by the terrain. Or the ladies know that in the field of interior decorating, where there is a pipe or a pillar which cannot be ignored, the maxim is "if you can't hide it, paint it." We are necessarily living in a world of sovereign nations. We place our main stress on their independence and sovereignty. Our political, our economic, our psychological approach is to encourage other nations—to help them—to safeguard their own stability and freedom. And this in turn is our own bulwark.

It is quite proper, I believe, to compare our technical and economic assistance, our political guidance, and particularly the example we attempt to set through our national conduct to the efforts of the missionaries of the past. In a very real sense we Americans today are missionaries of freedom, and I believe our task will be most successful if it is increasingly approached in that spirit.

So we see that obligation and interest are largely parallel in our long-term national strategy. What our conscience impels and what self-interest dictates in this interdependent world are often very largely the same. This fact sheds further light on the matter we considered earlier—the application of standards of right and wrong to our national policies. In doing "good" we learn we can also do very well, and in seeking to do well we find we do much good.

Facing a Total Challenge

I have taken advantage of your good nature tonight. I have seized a meeting concerned with religion as an opportunity to talk at some length about diplomacy. You have been very kind to listen patiently. Perhaps my remarks have not been irrelevant to the theme of religion in American life. A dominant and sobering fact of American life today is the fact that we face a *total* challenge—military, political, psychological, moral, spiritual. We face it in a negative sense in the form of the power and the godless ideology which would destroy us. We face it in a positive sense only if our defense is effective and adequate in all fields, especially the spiritual.

If we are to continue building the free world well enough and fast enough, then we must draw on our every resource—military and economic strength, technological development and scholarly knowledge, common sense, hard work, and leadership.

Most especially we stand in the need of the guidance and strength that faith alone provides. But we must constantly remind ourselves that the rules of right action are not independent values, ends in themselves, but rather an essential element in our equipment for taking practical steps to meet difficult demands.

So you serve a high purpose indeed in your effort to bring the influence of religion more fully into American life.

U.S. and Malaya Sign Agreement To Encourage Private Investment

The Department of State announced on April 22 (press release 279) that the United States and the Federation of Malaya have reached an agreement which will institute the ICA investment guarantee program in the Federation of Malaya. The agreement was concluded at Kuala Lumpur on April 21 by an exchange of notes between U.S. Ambassador Homer M. Byington, Jr., and the Federation Minister of External Affairs, Ismail bin Dato' Abdul Rahman, who was his country's first ambassador to the United States.

The agreement with the Federation of Malaya provides guarantees that capital investments and receipts will remain convertible in U.S. dollars and that losses resulting from the expropriation of an investment property will be compensated to the U.S. investor in U.S. dollars. The U.S. Government, in turn, becomes subrogated to the former investor's claim for compensation. The project must be approved for purposes of ICA guarantee by the Government of the Federation of Malaya before a contract of guarantee is finalized by ICA and issued by the Export-Import Bank.

Inquiries and applications for ICA guarantees should be addressed to the Investment Guaranties Staff, International Cooperation Administration, Washington 25, D.C.

Tensions and U.S. Policy in the Near and Middle East

by Parker T. Hart

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At the beginning of any discussion of world tensions, it is important, I believe, to bear in mind the full significance of a paramount fact of modern history. And that is this: Since 1939, twenty-one new sovereign states have been created and more than 700 million people formerly under foreign rule are now under their own national governments.

Now none of these new nations was born into the happy circumstances which attended the birth of our own Nation in 1776. Our forebears had centuries of valuable experience behind them; the resources of this continent were rich beyond all dreams; the Americans were the latest inheritors of already old and hard-won concepts of democracy, which had been hammered out in England over several preceding centuries. We were insulated by the mightiest oceans against the political and social shocks which moved the Old World; and, most of all, we had time—time to solve our problems, time to develop and refine by trial and error the political, social, and economic institutions which have come to govern our society.

Few of the new nations of the mid-20th century have had any of these advantages; they are, in addition, beset with problems and hardships which this Nation happily has never known. They were born into the political turmoil of the modern world, much of it ripped and torn by recent world conflict, and most were frustrated and emotionally disturbed by the difficulties and problems which accompanied their emergence as independent

states. Ignorance, poverty, and disease had to be overcome as did psychological complexes which inevitably resulted from dependency status. Small wonder the birth pains of these new nations have been severe. Small wonder the atmosphere of Asia and Africa is charged with tension and unrest.

I would like to confine myself today to just one part of this emerging world—the Near and Middle East. That area has suffered from most of the difficulties attendant upon the birth of new states and reconstituted societies.

Since the decline of the great Arab caliphates of the Middle Ages, the Arabs had been existing quietly within the Islamic world they had inspired but no longer ruled. Everybody belonged to the religious body politic; all dwelt within the all-embracing philosophy of Islam, which was not only a religion but an entire way of life. Islam in the Mediterranean area was under the protection of the Ottoman Turks, the soldier guardians of this way of life. These guardians ruled through a loosely organized and gradually weakening empire. Within this empire there were theocratic rather than national boundaries and little ethnic feeling. Indeed, national concepts as we know them today hardly existed.

Occasionally a local leader arose, such as Mohammed Ali, founder of the last dynasty of modern Egypt in the early 19th century, but, while some left their mark, none were pan-Arab nationalists. Mohammed Ali was an Albanian and never used Arabic. It was in Europe that the cult of nationalism developed and slowly began to seep into the Near East.

The earliest manifestations of Arab nationalism

¹ Address made before the Foreign Policy Association of Pittsburgh at Pittsburgh, Pa., on May 1 (press release 293 dated April 30).

were not political but intellectual. The revival of interest in classical Arabic, in Arab history and culture, started to develop in the second half of the 19th century—interestingly enough among those Arab intellectuals who emerged from American and other Western educational institutions in Lebanon and Syria. Gradually among these circles a revival of Arab identity began to take shape. Meanwhile the Ottoman Turks, being the defenders of Islam against Europe and therefore exposed to the shocks and tremors of Western dynamism, were profoundly stirred by the European theory of the nation-state. A result of this influence is seen in the Young Turk revolts in the earliest years of the 20th century. At first, natives of the Arab lands of the Ottoman Empire participated in the Young Turk movement, but it soon became evident that Turkish nationalism did not apply to the Arabs, who for the first time in centuries felt their separateness within Islam. They began to form their own secret societies for political action. This awakening Arab political consciousness, along with the revival of Arab literature and poetry, was the forerunner of the movement which is today called Arab nationalism and which plays so important a role in the destinies of the Near East.

Beginnings of Arab Political Independence

The notion of Arab political independence as a force rather than as a dream sprang up during World War I, when the Arabs joined the British against their erstwhile protector—but now estranged—the Ottoman Turk. The independence for which the Arabs fought alongside the allies was not forthcoming upon the collapse of the Turkish Empire. Instead, at the conclusion of the war the British and French received mandates over most of the Arab lands which had been under Ottoman rule, while Egypt continued under British occupation. Although this development may have seemed politically justifiable at the time, it produced the effect of implanting in the Arab mind a deep suspicion and an abiding distrust of Western colonialism.

Little by little the mandate status was modified and most of the Arab-inhabited lands came under Arab rule; this process in the Near East was largely completed territorially during and immediately after World War II. Meanwhile another element had entered the picture. Sentiments gen-

erally connected with the term “Arab nationalism” were deeply stirred by increasing Jewish immigration into Palestine during the British mandate and later by the United Nations recommendation for the partition of Palestine which resulted in the creation of the State of Israel.

Although Arab sovereignty over most of the territory inhabited by the Arab peoples in the Near East was well established by the beginning of this decade, a lingering suspicion of Western motives has continued to color Arab thinking and political action until the present. Some of the turmoil in the Near East in recent years is traceable to this suspicion and the desire of Arab nationalists to free themselves from real or imagined Western influences. It is to be hoped that this feeling will disappear as the Arab states become increasingly sure that in fact they preside over their own destinies. With the total disappearance of the old suspicion and distrust, a new and healthier relationship between the Arabs and the West can then be established.

I have been discussing nationalism as a manifestation of the changing aspirations of the Arabs and as a cause of tensions in the Arab world. There is also another and most important element which must be considered in any discussion of the tensions which are evident in the Near East. It is closely linked to nationalism, but it is worthy of special consideration. The Arabs, like other people throughout Asia and Africa, are above all determined to participate as full equals in 20th-century living. For most of them this means telescoping centuries of progress in a short period of time. It means ending poverty, disease, and illiteracy. It means an improved standard of living with all the advantages of technical efficiency, economic development, enlightenment, and above all self-respect. To them this means participating in the affairs of the world as equals with the citizens of other nations. For them economic progress involves more than creature comforts; it is prerequisite to their dignity as human beings. Their ability to attain these things must naturally be limited by their own resources, but it will not be limited by their own failure to try to attain them.

It is against this background of rapid and sometimes violent change, with its collapse of old political systems and the rise of new states, the death of old philosophies and the birth of new and sometimes half-formed ideas, the prevalence of

radical economic theories and the grip of ultra-nationalistic fervor—and all this clashing and clanging over the loudspeakers of new communications systems—it is against this background that we must judge events of the Near East during the past decade.

In such circumstances it is hardly surprising that the Near East has provided such a fitting atmosphere for an increase of all kinds of tensions—political, economic, religious, and racial: tensions arising from the Arabs' memories of dependency status; tensions arising from the conflict over Palestine; tensions springing from the hostility of the peasant for the landlord, from the deep envy of the poor for the rich; tensions among the rulers of the Arab states with their sometimes varying interests and divergent philosophies.

What is needed above all in the Near East is the time and tranquillity to pursue in an orderly fashion the constructive aims which the people of that area so ardently desire and so fervently seek. With peace and order much could be accomplished—especially with the disinterested help of the United Nations, the United States, and other countries of good will. But there is a force present in the area which is determined to prevent order, to shatter tranquillity, to frustrate the establishment of an atmosphere in which economic and social progress can occur. That force is international communism, directed by the Soviet Union.

Russian Ambitions in the Near East

Russian ambitions in this part of the world are not new. They go back at least as far as Catherine the Great. In their earlier form, Russian designs on the area were tied up with the urge for warm-water ports on the Mediterranean Sea and the Persian Gulf. Now, of course, they form but a part of the Soviet master plan for world domination.

In 1913, 4 years before the revolution, Joseph Stalin wrote a paper entitled "Nationalism and the Colonial Question," and this, along with two theses by Lenin presented to Third International meetings in the 1920's, constitutes a sort of handbook of Soviet encroachment on this area. Very simply, the Communist plan calls for the Soviet Union to make common cause with the nationalists of the Middle East in their struggles against the colonial powers while establishing and always

maintaining a separate Communist organization with the tightest internal discipline. When the nationalists have succeeded in expelling colonial forces and neutralizing or destroying Western influence, the Communists (by now thoroughly infiltrated into the nationalist organization) turn against the nationalist patriots, seize the levers of power, and set up a Communist state linked to the Soviet Union.

The U.S.S.R. has systematically applied this plan since opposition to Bolshevism was finally suppressed in its own central Asian territories contiguous to the area we are discussing. Intense study of the societies of the Middle East ensued, and the training of indigenous leaders progressed through a generation of refinement, interrupted hardly at all by World War II. Cadres of leaders and organizers drawn from the misguided, the frustrated, and the dispossessed of the Middle East were built up, sustained, weeded out, purged, rebuilt, and tested again. The patient application of this master plan has heightened antagonism toward the West and has sown confusion and distrust within the area itself. Stability is anathema to the Soviet plan. Progress under indigenous leadership, carried out with increasing self-reliance and independence of spirit, "contradicts" (to use a Marxist term) Soviet philosophy and purposes. Only in turmoil can the Soviet Union pursue its program to the logical conclusion: the development of the classic revolutionary situation, in which local Communist forces, riding on the coattails of nationalist patriots for popularity, are at last able to use their superior organization, nourished in secret, to seize the reins of power.

Playing upon the nationalist prejudices and passions of the peoples of the Near East is, of course, just one tactic in the overall Communist strategy for domination. Other methods have been employed. In 1945 and 1946 the Soviet Union refused to withdraw its military forces from northwestern Iran and succeeded in setting up Azerbaijani and Kurdish separatist states which, however, collapsed when Soviet support was finally withdrawn. In 1946 the Reds fomented civil war in Greece. At about the same time they demanded that the Turks relinquish control to the Soviet Union of key frontier territories and the Turkish straits. In Iran again, especially in 1953, they attempted to take advantage of internal confusion to seize control of the Government. They were

almost successful. Syria was threatened by Communist street cadres in 1957, acting in the name of "Arabism." A most serious effort to obtain domination over Iraq is currently being pressed, with the ultimate issue in doubt. The U.S.S.R. has resorted to the irresponsible introduction of burdensome quantities of armaments into the Middle East. It has engaged in large-scale economic penetration characterized by easy credit terms but not always satisfactory deliveries. Soviet technicians swarm over the area. The Soviets subsidize great numbers of students, bringing them to Moscow for study. They have sent cultural teams to the area to formalize Soviet objectives in the field of education and public relations, and they have rolled out the red carpet for countless Near Eastern leaders.

The Soviet Union has also steadfastly sought to prevent the United Nations Organization from effective action to reduce tension and fear in the area. At the time the United States was trying to obtain a cease-fire and a withdrawal of hostile forces from Suez, the Soviet Union was muttering dark hints about sending "volunteers" to the area. More recently, during the 1958 Lebanese crisis, the Soviet Union employed its veto to sabotage two proposals in the Security Council (one American and one Japanese designed) to alleviate the situation in Lebanon and threatened to make "molten coffins" out of the ships of the U.S. Sixth Fleet.

Underground political activities, subversion, espionage, bribery, propaganda, threats, blandishments, promises—all of these have been employed unceasingly by the U.S.S.R. in the relentless pursuit of its ultimate goal.

U.S. Position

In the midst of the tensions which have developed in the Near East as in other parts of the world, what is the position of the United States?

The tumultuous events of the first half of the 20th century have catapulted us into a position of responsibility which throughout most of our history we had not been called upon to fill. The traditional pattern of power relationships broke down in the Middle East, inevitably with confusion and tension, and we found ourselves confronted by a great variety of dangerous problems which, if overlooked, promised to ripen in accord with Soviet strategy. It was therefore inevitable that the United States, which emerged as the

strongest nation in the free world at the end of World War II, should become involved in these issues and seek to alleviate their causes and their impact. Why?

It is an innate characteristic of the American people to sympathize warmly with the rise of newly independent societies and to wish sincerely for their development, prosperity, and continued freedom. We would therefore be inclined to assist these states in any circumstances, even if there were no worldwide threat of Soviet imperialism.

However, as we are by now abundantly aware that the Soviet Union is endeavoring to take advantage of the relative weakness of these new states to extend its control over their territories and populations, we are rendered even more responsive to their needs than would otherwise be the case. We know that in the long run it is they who must help themselves. We know that it is not only important for their self-confidence but necessary to their success that they achieve modernity by their own efforts and take most if not all the credit for the result. We also know that the development of healthy strength in the Near East, as in many other areas, must be based upon mutually advantageous relationships among the new nations, and between them and Western Europe, where their principal markets traditionally lie and promise to continue to be, despite Soviet barter arrangements of temporary convenience.

In view of these basic considerations, I would like to discuss some aspects of United States policy which have a bearing on the main topic of our discussion here and which have been subject to some misunderstanding both in this country and abroad.

I would like first to recall our Government's attitude toward the question of Arab nationalism, or Arab unity, since this subject is such a burning issue in the Near East and since a misunderstanding of our position on this question has contributed to a lack of confidence in our motives among important elements of the Arab people.

This attitude was best defined by President Eisenhower in his address before the United Nations General Assembly on August 13, 1958.² Referring to what he called "the great surge of Arab nationalism," the President said:

² For text, see BULLETIN of Sept. 1, 1958, p. 337.

Let me state the position of my country unmistakably. The peoples of the Arab nations of the Near East clearly possess the right of determining and expressing their own destiny. Other nations should not interfere so long as this expression is found in ways compatible with international peace and security.

A practical demonstration of this policy sympathetic to Arab unification was given earlier that year when the United States promptly extended recognition when Egypt and Syria united to form the United Arab Republic.

The United States also believes that tensions in the Near and Middle East can be eased by affirmative response to requests for financial and economic assistance which will assist these communities in finding the means to develop, for their own use, their economies and natural resources. The United States has extended very substantial economic aid to Greece and Turkey, as well as to Iran, the Arab states, and Israel. Our Greek-Turkish aid program, which was announced in 1947 and was the forerunner of the Marshall plan, was a turning point in thwarting the postwar drive of the Stalinist type of Communist offensive in the eastern Mediterranean. Certain countries to which we have extended aid have dealt in this sense only with the free world; they have made their choice clearly and unmistakably. Others have accepted aid from the Soviet Union as well as from us. This phenomenon raises questions in the minds of all concerned. It should be considered, I think, in the light of the principle that the United States has extended aid not only on the basis of identity of views but on the basis of overall free-world need as we understand and evaluate it, and with the aim of countering the Soviet master plan constantly in mind.

The United States has also sought to reduce tensions in the Near and Middle East by providing a measure of military support to those countries which request it and are prepared to use it to preserve their own independence with due respect to the equal independence of their neighbors. The basis of this policy is the right, expressed in article 51 of the United Nations Charter, of all nations to individual and collective self-defense. In addition the policy is founded on the belief that the nations of the area cannot be free to concentrate on economic and social matters without adequate assurance of internal security. Pursuant to the charter of the United Nations and to the requirements of free-world strength we have therefore

provided a degree of military assistance to a number of countries in the area which desired it. We have also cooperated both economically and militarily with the countries of the Baghdad Pact. Finally, by the joint congressional resolution of March 9, 1957,³ the United States in a unilateral declaration stated its readiness "to use armed forces to assist any . . . [Middle East] nation or group of . . . nations requesting assistance against armed aggression from any country controlled by international communism."

The Near East and the United Nations

Our deep concern with the tensions in the Near and Middle East has brought us again and again to the forum of the United Nations. As a matter of basic policy we lend the U.N. constant support in its efforts to find solutions for problems in all areas. In the first major crisis which the United Nations was called upon to resolve, we strongly backed the Council's actions to secure the withdrawal of Soviet forces from Iran. In 1956-57 the United States stood behind the United Nations wholeheartedly in the Suez crisis and gave logistic and financial support to the formation of the United Nations Emergency Force, which still polices the Israel-Egyptian frontier. Last summer the United States sought United Nations action to place observers in Lebanon, and when subsequently President Eisenhower responded to the appeal of the Government of Lebanon for armed support against the threat to its independence and integrity, the President made clear and made good his intention to withdraw our troops from Lebanon as soon as the United Nations was able to take action which would make our presence in the country no longer necessary.⁴

The United States has also provided generous support for special United Nations organizations dealing with continuing problems in the Middle East. A notable example is our contribution in both men and money to the United Nations Relief and Works Agency responsible for the care of the Arab refugees who fled Palestine during the Arab-Israel war in 1948. In fact, 70 percent of the United Nations funds for this purpose has been provided by the United States. The Soviet Union

³ For text, see *ibid.*, Mar. 25, 1957, p. 481.

⁴ For background, see *ibid.*, Aug. 4, 1958, p. 181, and Oct. 27, 1958, p. 650.

has given nothing. President Eisenhower's proposals of last August for insuring peace and development of the Near East were made before the forum of the United Nations.

The depth and complexity of the problems of the Near and Middle East do not permit us to foresee an end to present tensions. The main burden of reducing these tensions will always rest primarily on the exercise of statesmanship by leaders of the area itself. Our own burden will lie in being available and responsive where and when our help is requested. We must shed the notion that these problems can be "solved" if only we are intelligent enough to find the "key." There is almost never a single "key" which will provide a solution for an evolving political situation. Most problems are replaced by others, and their composite constitutes a stream of issues, sometimes rising, sometimes subsiding, but never ceasing its flow as long as men struggle to improve their way of life. At best, we can warn off aggressors while offering an alternative to a potentially disastrous choice. This is often a thankless task and one to which we as Americans are not yet fully accustomed. Our own history purports to demonstrate that all problems are soluble if one puts his full mind and heart into the effort. However, in the realm of world politics the forces with which we normally deal are precisely those over which we have little or no control and whose direction we can seldom accurately predict. Even the Soviet conspiracy is learning this fact and will learn it again and again, until the dogmas of Leninist-Marxist determinism are finally discredited. For societies of men are not particles of matter which perform according to immutable laws, especially when they are in dynamic transformation.

By this I definitely do not imply we should assume with complacency that the free world will win the battle for men's minds in this most important region. The ferment will surely go on; there may well be new and serious setbacks before there are steady advances, and we must condition ourselves to great patience, deeper understanding, and a standing availability to assist without thought of recompense. It is clear that some of the best minds and hearts in and out of our Government must be devoted for an indefinite time to the task of edging these problems toward an improvement. However, our greatest hope lies

in the people of the Middle East themselves. The main burden naturally falls on them, and we have good reason to believe that their own understanding of the nature of the Communist menace is daily increasing and that they are learning to chart with increasing confidence and skill their course toward liberty and a better way of life.

President Determines Tariff Quota on Wool-Fabric Imports for 1959

White House (Augusta, Ga.) press release dated April 21

WHITE HOUSE ANNOUNCEMENT

The President has determined the application for 1959 of the tariff quota on imports of most woolen and worsted fabrics established by his proclamation of September 28, 1956,¹ which invoked the so-called Geneva wool-fabric reservation. The President modified that proclamation and notified the Secretary of the Treasury of his decision that the breakpoint of the tariff quota is to be 13.5 million pounds for 1959.

Until 1959 imports reach the breakpoint, the rates of duty remain at 30¢ or 37½¢ per pound (depending upon the nature of the fabric) plus 20 percent or 25 percent ad valorem (again depending upon the nature of the fabric). Imports during 1959 in excess of the breakpoint will, with certain exceptions, be subject to an ad valorem duty of the full 45 percent allowed by the Geneva reservation.

The President amended the 1956 proclamation and established an overquota rate of duty of 30 percent ad valorem for a maximum of 350,000 pounds of overquota imports of certain high-priced, high-quality fabrics. This amendment is similar to the President's proclamation of March 7, 1958,² which provided an overquota rate of 30 percent for certain handwoven and "religious" fabrics.

If imports during 1959 exceed 13.5 million pounds, the higher rates of duty will go into effect for the remainder of 1959, terminating at the end of 1959.

¹ BULLETIN of Oct. 8, 1956, p. 555.

² *Ibid.*, Apr. 21, 1958, p. 671.

In considering this matter the President had the advice of the Trade Policy Committee and other departments and agencies of the executive branch. Last year, in announcing the 1958 application of the tariff quota, the President noted the many problems arising under it and requested that a special review be undertaken. While that review has not yet developed a permanent solution, better ways of approaching this situation will continue to be sought.

The Geneva wool-fabric reservation is a right that was reserved by the United States in a 1947 multilateral trade agreement at Geneva. Under that reservation, the ad valorem rates of duty applicable to most woolen and worsted fabrics entering the country may be increased when such imports, in any year, exceed an amount determined by the President to be not less than 5 percent of the average annual U.S. production of similar fabrics for the 3 preceding calendar years. The 1947 tariff concession and the reservation apply to woolen and worsted fabrics dutiable under paragraphs 1108 and 1109(a) of the Tariff Act of 1930, as modified. Most woolen and worsted fabrics entering the United States are dutiable under these paragraphs. The President's action applies only to imports of such fabrics.

LETTER TO SECRETARY OF THE TREASURY

APRIL 21, 1959

DEAR MR. SECRETARY: Proclamation No. 3160 of September 28, 1956, as amended by Proclamation No. 3225 of March 7, 1958, and by the proclamation of April 21, 1959, provides for the increase of the ad valorem part of the duty in the case of any of the fabrics described in item 1108 or item 1109(a) in Part I of Schedule XX to the General Agreement on Tariffs and Trade (Geneva—1947) or in item 1109(a) in Part I of that Schedule (Torquay—1951) entered, or withdrawn from warehouse, for consumption in any calendar year following December 31, 1958, in excess of a quantity to be notified by the President to the Secretary of the Treasury.

Pursuant to paragraph 1 of that proclamation, as amended, I hereby notify you that for the calendar year 1959 the quantity of such fabrics on imports in excess of which the ad valorem part of the rate will be increased as provided for in the seventh recital of that proclamation, as amended, shall be 13,500,000 pounds.

On the basis of presently available information, I find this quantity to be not less than five per centum of the average annual production in the United States during the three immediately preceding calendar years of

fabrics similar to such fabrics. Although it is believed that any future adjustments in statistics will not be such as to alter this finding, in the event that they do, I shall notify you as to the revised quantity figure.

Sincerely,

DWIGHT D. EISENHOWER

The Honorable ROBERT B. ANDERSON
The Secretary of the Treasury
Washington, D.C.

PROCLAMATION 3285³

FURTHER AMENDMENT OF PROCLAMATION No. 3160,⁴ RELATING TO CERTAIN WOOLEN TEXTILES

1. WHEREAS by Proclamation No. 3160 of September 28, 1956 (71 Stat. C12), as amended by Proclamation No. 3225 of March 7, 1958 (3 CFR, 1958 Supp., p. 19), the President announced the invocation by the Government of the United States of America of the reservation contained in the note to item 1108 in Part I of Schedule XX annexed to the General Agreement on Tariffs and Trade (61 Stat. (pt. 5) All, A1274), and proclaimed that the ad valorem part of the rate applicable to fabrics described in item 1108 or 1109(a) in Part I of Schedule XX to the General Agreement on Tariffs and Trade (61 Stat. (pt. 5) A1274), or in item 1109(a) in Part I of Schedule XX to the Torquay Protocol to the General Agreement on Tariffs and Trade (3 UST (pt. 1) 615, 1186), entered, or withdrawn from warehouse, for consumption in excess of certain quantities would be either 30 per centum or 45 per centum, depending on the classification of such fabrics; and

2. WHEREAS I find that as of January 1, 1959, it will be appropriate to carry out the General Agreement on Tariffs and Trade that the ad valorem part of the rate be 30 per centum ad valorem in the case of any of the fabrics described in item 1108 or 1109(a) in Part I of Schedule XX to the General Agreement on Tariffs and Trade, or in item 1109(a) in Part I of Schedule XX to the Torquay Protocol to the General Agreement on Tariffs and Trade, which are described in subparagraph (a) of the seventh recital of the proclamation of September 28, 1956, as amended by the proclamation of March 7, 1958, and as further amended by this proclamation:

NOW, THEREFORE, I, DWIGHT D. EISENHOWER, President of the United States of America, acting under and by virtue of the authority vested in me by the Constitution and the statutes, including section 350(a) of the Tariff Act of 1930, as amended by section 3(a) of the Trade Agreements Extension Act of 1955 (69 Stat. 162; 19 U.S.C. 1351(a), Sup. V) and by section 3(a) of the Trade Agreements Extension Act of 1958 (72 Stat. 673; Public Law 85-686, sec. 3(a)), do hereby proclaim that the seventh recital of the proclamation of September 28,

³ 24 *Fed. Reg.* 3221.

⁴ 21 *Fed. Reg.* 7593; 3 CFR, 1956 Supp., p. 44.

1956, as amended by the proclamation of March 7, 1958, is hereby further amended to read as follows :

"7. WHEREAS I find that following December 31, 1958, and until otherwise proclaimed by the President, it will be appropriate to carry out the trade agreements specified in the first and third recitals of this proclamation that the ad valorem part of the rate be as set forth below in the case of the fabrics described in item 1108 or 1109(a) in Part I of Schedule XX of the General Agreement on Tariffs and Trade set forth in the second recital hereof, or in item 1109(a) in Part I of Schedule XX to the Torquay Protocol set forth in the fourth recital hereof (except in each case articles dutiable at rates applicable to such fabrics by virtue of any provision of the Tariff Act of 1930, as amended, other than paragraph 1108 or 1109(a)), entered, or withdrawn from warehouse, for consumption in any calendar year after that total aggregate quantity by weight of such fabrics which shall have been notified by the President to the Secretary of the Treasury, and published in the *Federal Register* (which quantity the President shall have found to be not less than 5 per centum of the average annual production in the United States during the three immediately preceding calendar years of fabrics similar to such fabrics), has been so entered or withdrawn during such calendar year :

"(a) 30 per centum ad valorem in the case of any such fabrics which are :

- "(i) hand-woven fabrics with a loom width of less than 30 inches,
- "(ii) serges, weighing not over 6 ounces per square yard, and nuns' veilings and other woven fabrics, weighing not over 4 ounces per square yard; all of the foregoing described in this clause (ii) wholly or in chief value of wool of the sheep, valued at over \$4 per pound, in solid colors, imported to be used in the manufacture of apparel for members of religious orders, or
- "(iii) woven fabrics not described in either clause (i) or clause (ii) of this subparagraph wholly or in chief value of wool of the sheep or hair of the Angora goat, weighing over 6 ounces per square yard and valued at over \$6.50 per pound, or weighing over 4 ounces, but not over 6 ounces, per square yard and valued at over \$7 per pound, entered, or withdrawn from warehouse, for consumption in any calendar year after such aggregate quantity notified by the President to the Secretary of the Treasury has been so entered or withdrawn but before there shall have been so entered or withdrawn 350,000 pounds of woven fabrics not described in either clause (i) or clause (ii) of this subparagraph wholly or in chief value of wool of the sheep or hair of the Angora goat, weighing over 6 ounces per square yard and having a purchase price determined from the invoice of over \$6.50 per

pound, or weighing over 4 ounces, but not over 6 ounces, per square yard and having a purchase price determined from the invoice of over \$7 per pound (such purchase price to be determined by the Collector of Customs on the basis of the aggregate price, including all expenses incident to placing the merchandise in condition, packed ready for shipment to the United States, but excluding transportation, insurance, duty, and other charges incident to bringing the merchandise from the place of shipment in the country of exportation to the place of delivery in the United States), and

"(b) 45 per centum ad valorem in the case of any other of such fabrics; and".

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this twenty-first day of April in the year of our Lord nineteen hundred [SEAL] and fifty-nine and of the Independence of the United States of America the one hundred and eighty-third.



By the President :

CHRISTIAN A. HERTER,
Acting Secretary of State.

U.S.S.R. Foreign Trade Statistics Summarized in New Publication

The first detailed foreign trade statistics to be released by the U.S.S.R. since 1938 are summarized in a new report entitled *Foreign Trade of the U.S.S.R., 1956-57* which was released on April 17 by the U.S. Department of Commerce. The report presents official Soviet statistics on the total value of trade; trade with the United States for a series of years; and, for the years 1956-57, trade with principal countries, trade in principal commodities, and principal items traded with the United States.

The report reveals that the total exports of the U.S.S.R. to other bloc countries and to the free world amounted to \$4.4 billion in 1957. The U.S.S.R. thus ranks sixth among the world's trading nations, following the United States, United Kingdom, Federal Republic of Germany, Canada, and France.

The close commercial ties prevailing between the U.S.S.R. and other Soviet bloc countries are

shown by the Soviet trade data. In 1957, 74 percent of all exports from the U.S.S.R. was shipped to other bloc countries. The most important destination of Soviet goods in that year was the Soviet Zone of Germany, followed by Czechoslovakia and Communist China. Soviet imports, the statistics show, were also predominantly from the Soviet bloc, with 70 percent coming from those countries.

The Soviet Union's most important trading partners in the free world in 1957 were Finland, Yugoslavia, Egypt, the Federal Republic of Germany, and the United Kingdom. These five countries were the destinations of over two-fifths of

all U.S.S.R. goods shipped to the free world in that year.

The principal exports of the U.S.S.R. in 1957 included wheat, petroleum and products, equipment for complete industrial plants, iron and steel, raw cotton, and wood and lumber. Soviet imports, on the other hand, were heavily concentrated in metal ores and concentrates, nonelectrical machinery, assorted food products, and ships and port equipment.

The report may be purchased from the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C., or at any Department of Commerce Field Office at 20¢ a copy.

THE CONGRESS

Department Supports Legislation Authorizing Denial of Passports to Hard-Core Communist Supporters

*Statement by John W. Hanes, Jr.
Administrator, Bureau of Security and Consular Affairs¹*

I appreciate the opportunity to appear before you today in connection with the passport problem—one of the important subjects which this subcommittee is studying in relation to certain overall problems of our national security. May I say at the outset that the Department of State considers that this subcommittee is performing an invaluable service for the Congress and for the American people in again focusing attention upon the problem of passport security. My appearance today is in a sense a continuation of the Department's testimony at the hearing held by this subcommittee on December 15, 1958, when my predecessor, Mr. Roderic L. O'Connor, came before you to discuss this same subject.

In view of the fact that there is a definite legislative proposal pending before this subcommittee,

it might be appropriate for me to review briefly the recent history of this matter.

It has been nearly a decade since Congress passed and the President signed the Internal Security Act of 1950. It was clearly the intent of Congress then that one of the means our Government should use to protect the security of the United States against the menace of the Communist conspiracy was the United States passport. In fact, the Internal Security Act prohibited the issuance of passports to members of the Communist Party, but that provision was not to come into effect until the Communist Party voluntarily or involuntarily registered with the Subversive Activities Control Board. That provision has, as we all know, still not come into effect because the Communists have used every legal stratagem to delay the effectiveness of the registration provision. As a result, the only law which specifically authorizes the denial of passports to supporters of

¹Made before the Internal Security Subcommittee of the Senate Committee on the Judiciary on Apr. 29 (press release 291).

communism is not in effect, nor does it appear likely that it will take effect in the near future.

Nonetheless, the Department of State, on the basis of its traditional discretionary authority in the issuance of passports, adopted in 1951 a firm policy of refusing to facilitate the travel abroad of those few Americans working against the interests of our country by issuing them a United States passport. The Department felt that it was the sense of Congress as expressed in the Internal Security Act that this policy be adopted. Moreover, 11 Communist leaders had just been convicted under the Smith Act, and we were engaged in armed conflict in Korea in defense against the aggressive designs of the international Communist movement.

This policy was formalized in 1952 in written regulations issued by Secretary of State Acheson.² From the very beginning, the policy and the regulations came under violent attack by the Communist Party of the United States. Their clever campaign gained respectability when some sincere people, who have no sympathy whatsoever with communism, became disturbed by the argument that the regulations permitted the Secretary of State arbitrarily to restrict a citizen's rights. For the first time in American history the Secretary of State was summoned into court to explain his discretionary exercise of authority in refusing to issue a passport to a citizen.

Despite the attacks, however, the Department maintained its policy from 1951 until 1958 and, in my opinion, helped defend our national security by impeding the activities of those who represent the international Communist conspiracy in this country and whose travel is essential to the operations of that conspiracy.

Then in June 1958 the Supreme Court of the United States decided by a 5 to 4 majority that these provisions of the Department's regulations, which we had believed were firmly rooted in law, were invalid because they had not specifically been authorized by an act of Congress.

Applications of Communist Supporters Since 1958

I don't know exactly how many members the Communist Party of the United States now has. Mr. J. Edgar Hoover, Director of the FBI, in his

²For a Department statement of May 24, 1952, see BULLETIN of June 9, 1952, p. 919.

recent book *Masters of Deceit* stated that there were less than 22,600, at the same time pointing out the danger of measuring the menace of domestic communism by the size of party membership. In any event, whether there are 20,000 or 10,000, each and every party member as of today can obtain a passport from the Department of State, except in the rare instance that they happen to be ineligible for some other reason, such as being a fugitive from justice. Many such persons have applied for passports since the decision of the Supreme Court, some of them even though they may have no present need or intention of going abroad.

It seems entirely possible that these people are acting in concert, whether because of an organizational directive or because they fear that, as a result of congressional action, they may soon be unable again to have valid passports. This is a gap in our defenses which our enemies have not been slow to take advantage of. Since the Supreme Court decision in June 1958, many leading Communists have been able to travel to the Soviet Union because of the easing of restrictions in the issuance of American passports. Among these has been James Jackson, who appeared before this subcommittee last December. Jackson, while in Moscow, addressed the 21st Congress of the Communist Party of the Soviet Union in his capacity as secretary of the national committee of the Communist Party, U.S.A. With the chairman's permission, I should like to insert at this point in the record the text of Jackson's address,³ as carried by Radio Moscow, the opening paragraph of which points up the official view of the American Communist Party as to the relative degree of freedom in the United States and in the Soviet Union. The balance of the address equally indicates the absolute subservience of the Communist Party, U.S.A., to the ends of the international Communist movement directed by its headquarters in the Soviet Union.

Today we must issue United States passports to such people—passports which not only permit, but greatly aid, their travel to and in foreign countries. The passport clothes them abroad with all the dignity and protection that our Government affords. And yet their dedicated purpose in life is to destroy our Government and our freedom.

³Not printed here.

Surely this situation is a perversion of the liberty which our Constitution and our laws are meant to guarantee us.

Mr. Chairman, the Department of State feels it is essential that legislation be passed authorizing the Secretary of State to deny passports to hard-core, active Communist supporters.

Action in 85th Congress

Within 3 weeks after the Supreme Court decided that the Department had no statutory authority to deny passports on Communist grounds, the President submitted to the Congress an administration proposal which would have specifically authorized the denial of passports to supporters of the international Communist movement.⁴ Since it seemed to be an appropriate occasion to revise and improve the statutory passport situation in general, the administration's bill went beyond the immediately urgent problem of the travel of American Communists and covered a number of other areas related to passports, including grounds for denial other than Communist activities, hearing procedures, geographic restrictions of general applicability, and the like.

Hearings were held on the administration's proposals by committees of both the House and the Senate. Many members of these committees made quite clear that they supported legislation which would deny passports to Communists. However, the administration bill failed of passage in either house during the 85th Congress.

A narrower bill, limited to authorizing the denial of passports to supporters of the international Communist movement, was introduced in the House in the last few days of the 85th Congress, favorably reported by the committee to which it had been referred, and passed, with some amendments, 2 days before Congress adjourned. The Senate took no action on the bill passed by the House.

The Department believes that the situation today demands congressional action. We have no grounds upon which to refuse passports to those American citizens whose loyalty, the Congress and the courts have found, is given not to our Government but to a conspiracy working to overthrow it. This subcommittee is certainly familiar with the findings made by the Congress in the Internal

Security Act of 1950 and the Communist Control Act of 1954 concerning the nature of the Communist movement and the true allegiance of its American adherents. In 1950 the Congress found that "those individuals who knowingly and willfully participate in the world Communist movement, when they so participate, in effect repudiate their allegiance to the United States, and in effect transfer their allegiance to the foreign country in which is vested the direction and control of the world Communist movement." Again in 1954, the Congress found that the Communist Party is not merely another political party in the United States but is a "clear, present and continuing danger" to our security.

The courts also have not failed to expose the myth that the Communist Party is merely another political party. In *Dennis v. United States*, the Supreme Court found that the defendant's "conspiracy to organize the Communist Party and to teach and advocate the overthrow of the Government of the United States by force and violence created a 'clear and present danger' . . ." Mr. Justice Jackson in *American Communications Association v. Douds* also came to the conclusion that the Communist Party is not a political party but is "a conspiratorial and revolutionary junta organized to reach ends and to use methods which are incompatible with our constitutional system." Other decisions of the Supreme Court and of lower courts have been based on a judicial recognition of the true nature and purposes of the international Communist movement.

Judge Prettyman's Description of Communist Movement

I should like to quote here the description which Circuit Judge [E. Barrett] Prettyman gave of the Communist movement in his 1957 opinion in *Briehl v. Dulles*, upholding the regulations of the Secretary regarding the issuance of passports to Communists. Judge Prettyman's decision was reversed by the Supreme Court in *Kent v. Dulles*, but on other grounds. His characterization of the nature of the Communist movement stands as a valid and lucid statement of judicial opinion:

There exists in some quarters a dogged insistence that the Communist movement be treated as any other political organization. It is as though one argued that, since opiates and aspirin both possess medicinal properties, they

⁴ BULLETIN of Aug. 11, 1958, p. 250.

must be subjected to the same permissions and restrictions. The fact is that opiates are to be and are regulated because of their own peculiar characteristics. And so is the Communist movement and its affiliates. It would be inexcusably naive for any court to declare in the present state of the world that adherence to the Communist cause is a mere matter of politics or political opinion. We shall treat the Communist movement according to what the Congress, the President, and the Supreme Court have declared it to be. . . .

As we have pointed out, the Communist movement is, in the view of this Government, an aggressive conspiracy potentially dangerous to this country. Travel abroad by members of or adherents to the Communist movement is obviously an easy method of communication between such persons or organizations in this country and the prime sources of Communist policy and program in the Soviet Union and its satellites. Once a person with a passport is out of this country, this Government has no control over where he goes. His travel is controlled entirely by whatever countries he thereafter wishes to leave and to enter. . . .

In the second place, unless all the major foreign and fiscal policies of this Government, under two administrations of opposing political parties, have been a gigantic fraud, it is the unequivocal duty of the Department of State to prevent international incidents which might arouse hostile activities on the part of the Soviet Union or its satellites. . . .

Promptly after the Supreme Court decision last June which struck down the Department's regulations as they pertained to passports for Communist supporters, the President of the United States and former Secretary Dulles both emphasized the urgency of the situation in communications to the Congress.⁵

Representatives of the Department of State, both before congressional committees and in public statements, have repeatedly made clear our conviction of the necessity for prompt congressional action on this matter. In this connection, Mr. Chairman, I should appreciate your permission to insert in the record at this point the most recent statement of the Department's strong feeling on this subject, contained in a speech I recently gave before the Council on Foreign Relations in Chicago.⁶ I think it important to add that former Secretary Dulles personally and vigorously approved the text of my speech. I believe it will be of interest to this subcommittee, in its consideration of passport legislation, to observe that my

⁵ Not printed here.

⁶ For text, see BULLETIN of Apr. 13, 1959, p. 517.

statements in Chicago were directed not only at the need for legislation but also at the type of legislation we feel is most adequate from an administrative and legal viewpoint.

The bill which this subcommittee has before it regarding passports (S. 1303) contains provisions directed toward achieving the same legislative objectives which I have just indicated are deemed imperative by the Department of State. The Department of State feels it is essential that legislation be passed authorizing the Secretary of State to deny passports to hard-core supporters of the international Communist movement. We believe, moreover, that such denial should occur under full guarantees of due process of law and that the authority should never be used merely to attempt to stifle criticism abroad of this Government or its policies. The Department seeks only the capacity to protect the United States by denying passports to those relatively few active supporters of the Communist movement whose travel abroad would constitute an actual danger to the United States.

There are a number of provisions of S. 1303 which the Department feels could be amended so as better to accomplish these objectives. Therefore, the Department expects to comment formally and in detail on the provisions of S. 1303 in the immediate future.

This concludes my opening statement. I shall be happy to attempt to reply to any questions the committee may wish to ask.

Mr. Macomber Comments on Policy on Western Hemisphere Dictatorships

Following is the text of a letter from William B. Macomber, Jr., Assistant Secretary for Congressional Relations, to Senator Jacob K. Javits.

MARCH 17, 1959.

The Honorable JACOB K. JAVITS,
U.S. Senate.

DEAR SENATOR JAVITS: The Department welcomes the opportunity, in response to your letter of March 5, 1959, to comment on the course of our foreign policy as it concerns dictatorial regimes in the Western Hemisphere.

There are two important principles in the sphere of inter-American relations which are intimately

related to the matter of dictatorial regimes in the Western Hemisphere and which have influenced U.S. policy with regard to the question. The first of these is that continuity of diplomatic relations among the American States is desirable, and that establishment or maintenance of diplomatic relations with a government does not imply any judgment upon the domestic policy of that government. This principle was enunciated in Resolution 35 of the Bogotá Conference of 1948. The second is the principle of nonintervention. The charter of the Organization of American States provides that no state or group of states has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other state.

Both of these principles have the support of the American republics including the United States. The other American republics have long cherished the principle of nonintervention and they attach particular importance to it as it relates to actions of the United States. While adhering to these principles, we have witnessed with satisfaction a growth of representative democracy in the hemisphere in recent years. It is the intention of the Department to continue to be guided by these principles.

As indicated in your letter, the question of dictatorial governments may be raised in the Organization of American States. It may well be that the issue will be debated at the 11th Inter-American Conference scheduled to be held early next year in Quito, Ecuador.

The OAS Charter also states that inter-American solidarity calls for the effective exercise of representative democracy. This is specifically included among the principles reaffirmed by the American States in article 5 of the charter.

The devotion of the United States to democratic principles was clearly expressed by President Eisenhower last August in these words:² "The United States believes firmly in the democratic elective process and the choice by the people, through free and fair elections, of democratic governments responsive to them. Authoritarianism and autocracy, of whatever form, are incompatible with the ideals of our great leaders of the past.

² For President Eisenhower's reply to the remarks of Ambassador Falcón-Briceño of Venezuela on the occasion of the presentation of his letters of credence, see Department of State press release 466 dated Aug. 14, 1958.

Free institutions, respect for individual rights, and the inherent dignity of man are the heritage of our western civilization."

U.S. support of representative democracy must, of course, be within the principle of nonintervention. There are, however, ways in which the United States can and does support and promote democracy without violating the principle of nonintervention: For example, by aiding in the maintenance of peace and security, by helping create the economic and social conditions under which democratic processes can be strengthened, as well as by continuing ourselves to follow democratic traditions.

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,

Assistant Secretary

(For the Acting Secretary of State).

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

United Nations Day, 1959

A PROCLAMATION¹

WHEREAS the United Nations is identified with the profound hope of the world's peoples that they might live together in peace, resolving their differences in the spirit of conciliation and equity, and freely pursuing their just aspirations for material and social progress; and

WHEREAS the United Nations and its Specialized Agencies have responded to that hope by achieving peaceful solutions to matters of international dispute, by promoting the rule of world law, and by effectively joining in man's struggle against hunger, poverty, ignorance, and fear; and

WHEREAS the people of the United States of America are steadfastly working for the eventual fulfillment of the goals of the United Nations as expressed in its Charter; and

WHEREAS the General Assembly of the United Nations has resolved that October twenty-fourth, the anniversary of the coming into force of the United Nations Charter, should be dedicated each year to making known the purposes, principles, and accomplishments of the United Nations:

Now, THEREFORE, I, DWIGHT D. EISENHOWER, President of the United States of America, do hereby urge the citi-

¹ No. 3283; 24 *Fed. Reg.* 3221.

zens of this Nation to observe Saturday, October 24, 1959, as United Nations Day by means of community programs which will demonstrate their faith in the United Nations and contribute to a better understanding of its aims, problems, and achievements. I also call upon the officials of the Federal and State Governments and upon local officials to encourage citizen groups and agencies of the press, radio, television, and motion pictures to engage in appropriate observance of United Nations Day throughout the land in cooperation with the United States Committee for the United Nations.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this eighteenth day of April in the year of our Lord nineteen hundred [SEAL] and fifty-nine and of the Independence of the United States of America the one hundred and eighty-third.



By the President:
ROBERT MURPHY,
Acting Secretary of State.

United States Delegations to International Conferences

OAS Committee of 21

The Department of State announced on April 22 (press release 278) that Thomas C. Mann, Assistant Secretary of State for Economic Affairs, has been named representative of the United States on the Special Committee of the Council of the Organization of American States To Study the Formulation of New Measures for Economic Cooperation (Committee of 21) for the meeting of the Committee to be convened at Buenos Aires, Argentina, on April 27.

Named as alternates to Assistant Secretary Mann are Assistant Secretary of State for Inter-American Affairs Roy R. Rubottom, Jr., Assistant Secretary of the Treasury T. Graydon Upton, and Ambassador Harold M. Randall, U.S. representative to the Inter-American Economic and Social Council.

The forthcoming meeting of the Special Committee at Buenos Aires has been convened to carry forward its task of developing new measures designed to contribute to strengthening the eco-

nomie development in the American Republics on the basis of recommendations and proposals prepared by a working group.¹

The Special Committee was established by the Council of the Organization of American States pursuant to a recommendation of the 21 Foreign Ministers of the American Republics at their meeting at Washington September 23-24, 1958,² and held its first meeting at Washington commencing on November 17, 1958. The working group, composed of representatives of 15 countries, was named at the conclusion of that meeting to prepare concrete recommendations on economic cooperation among the 21 American Republics.

TREATY INFORMATION

Current Actions

MULTILATERAL

Cultural Property

Convention for protection of cultural property in event of armed conflict, and regulations of execution;
Protocol for protection of cultural property in event of armed conflict.

Done at The Hague May 14, 1954. Entered into force August 7, 1956.³

Accession deposited: Pakistan, March 27, 1959.

Publications

Agreement relating to the repression of circulation of obscene publications, signed at Paris May 4, 1910, as amended by protocol signed at Lake Success May 4, 1949. Entered into force September 15, 1911, and May 4, 1949. 37 Stat. 1511; TIAS 2164.

Accession deposited: Cambodia, March 30, 1959.

Trade and Commerce

Protocol relating to negotiations for establishment of new schedule III—Brazil—to the General Agreement on Tariffs and Trade. Done at Geneva December 31, 1958.⁴

Signatures: Belgium (subject to ratification) and Netherlands, April 2, 1959.

¹ For U.S. suggestions for promoting the economic development of the Americas, see BULLETIN of Apr. 6, 1959, p. 479. For background on the Inter-American Development Bank, see *ibid.*, May 4, 1959, p. 646.

² *Ibid.*, Oct. 13, 1958, p. 574.

³ Not in force for the United States.

⁴ Not in force.

Canada

Agreement amending the air transport agreement of June 4, 1949, as amended (TIAS 1934 and 3456). Effected by exchange of notes at Ottawa April 9, 1959. Entered into force April 9, 1959.

Chile

Agreement concerning a cooperative program for tracking and receiving radio signals from earth satellites and space vehicles. Effected by exchange of notes at Santiago February 16 and 19, 1959. Entered into force February 19, 1959.

Colombia

Agreement further amending the memorandum of understanding to the agricultural commodities agreement of April 16, 1957, as amended (TIAS 3817, 3904, 3918, and 4135). Effected by exchange of notes at Bogotá January 14 and March 5, 1959. Entered into force March 5, 1959.

Iran

Research reactor agreement for cooperation concerning civil uses of atomic energy. Signed at Washington March 5, 1957.

Entered into force: April 27, 1959 (date each Government received from the other written notification that it has complied with statutory and constitutional requirements).

Japan

Parcel post agreement, protocol, and detailed regulations of execution. Signed at Tokyo October 2 and at Washington November 3, 1958.

Entered into force: May 1, 1959 (date agreed upon by the two parties).

Parcel post agreement and detailed regulations of execution. Signed at Tokyo June 1 and at Washington June 20, 1938. Entered into force July 1, 1938. 53 Stat. 1877.

Terminated: May 1, 1959 (superseded by parcel post agreement, protocol, and detailed regulations of execution, *supra*).

Malaya

Agreement relating to investment guaranties under section 413(b)(4) of the Mutual Security Act of 1954, as amended (68 Stat. 847; 22 U.S.C. 1933). Effected by exchange of notes at Kuala Lumpur April 21, 1959. Entered into force April 21, 1959.

Muscat, Oman, and Dependencies

Treaty of amity, economic relations, and consular rights. Signed at Salalah December 20, 1958.¹

Senate advice and consent to ratification given: April 28, 1959.

Switzerland

Agreement amending agreement for cooperation concerning production of nuclear power of June 21, 1956 (TIAS 3745). Signed at Washington April 24, 1959. Enters into force on date on which each Government receives from the other written notification that it has complied with statutory and constitutional requirements.

United Kingdom

Agreement relating to the use of the Bahamas Long-Range Proving Ground for the observing and tracking of artificial earth satellites and other space vehicles. Effected by exchange of notes at Washington March 16 and April 16, 1959. Entered into force April 16, 1959.

Foreign Service Examination Scheduled for December 1959

The Department of State announced on April 29 (press release 292) that it will hold its next written Foreign Service officer examination on December 5, 1959, in approximately 65 centers throughout the United States and at Foreign Service posts abroad. Early announcement is made in response to inquiries received as a result of the cancellation of the December 1958 examination. In announcing the examination the Department is seeking to interest undergraduate and graduate students who have studied in such fields as economics, public and business administration, language and area studies, history, and political science.

To be eligible to take this examination, candidates must be at least 21 and under 32 years of age as of October 19, 1959. Persons 20 years of age may also apply if a college graduate or a senior in college. They must be U.S. citizens of at least 9 years' standing. Although a candidate's spouse need not be a citizen on the date of the examination, citizenship must have been obtained prior to the date of appointment.

Candidates who are successful in the 1-day written examination, which tests their facility in English expression, general ability, and background, will subsequently be given oral examinations by panels which will meet in regional centers throughout the United States. Fluency in a language, while not an examination requirement, must be attained before an officer can advance in the Service. Those candidates who pass the oral test will then be given a physical examination and a background investigation. If found qualified in all respects candidates will be placed on a register and appointments will be made therefrom as needed, in the order of examination scores. The names of candidates failing to receive appointments within 30 months from the date of the written examination will be removed from this register. Upon appointment the candidate will receive three commissions from the President—as

¹ Not in force.

Foreign Service officer class 8, as secretary in the diplomatic service, and as vice consul of career.

A newly appointed Foreign Service officer may serve his first tour of duty either in the Department's headquarters at Washington, D.C., or at one of the 286 American embassies, legations, and consulates abroad. The new officer may be assigned to several functions to give him varied training and experience in consular work, in administrative assignments, including ones in the accounting and management fields, and in political, economic, international finance, and commercial reporting.

The starting salary for the newly appointed Foreign Service officers ranges from \$5,225 to \$5,885 per year, depending upon the qualifications, experience, marital status, and age at the time of appointment. Also, certain allowances, plus insurance, medical, educational, and retirement benefits, are granted, as well as annual and sick leave.

Application forms and other information may be obtained immediately by writing to the Board of Examiners for the Foreign Service, Department of State, Washington 25, D.C. The closing date for filing the application is October 19, 1959.

Secretary Requesting Legislation on Duties of Under Secretary

The White House announced on April 30 that the Secretary of State has expressed his desire to the President that Douglas Dillon shall, if confirmed as Under Secretary of State, continue to exercise the same authorities in the economic field as he has heretofore exercised as Under Secretary of State for Economic Affairs. To a large extent, the Secretary can accomplish this by delegation. The Secretary is also requesting the enactment of legislation which will permit Mr. Dillon to continue as Chairman of the Board of Directors of the Development Loan Fund.

The legislation also will permit the President to designate the third-ranking officer of the Department as either Under Secretary of State for Political Affairs or Under Secretary of State for Economic Affairs. Under this legislation, it is contemplated that Robert Murphy will be nominated for the position of Under Secretary of State for Political Affairs. Livingston T. Merchant will at the same time be nominated as Deputy Under Secretary of State for Political Affairs.

Consulate at Tananarive Reopened

The Department of State announced on April 20 (press release 271) that it had reestablished its consulate at Tan-

anarive, capital of the Malgache Republic (formerly Madagascar), on April 18, 1959. The United States had maintained a consulate at Tananarive until 1954. Reopening of the consulate follows establishment of the Malgache Republic, an autonomous republic in the French Community, under provisions of the new French Constitution adopted in September 1958. The consulate's jurisdiction includes all of the Malgache Republic and its dependencies, which lie off the southeast coast of Africa in the Indian Ocean. The Republic has a population of nearly 5 million.

John Roland Jacobs is the consul in charge at the post.

Designations

Ben Hill Brown, Jr., as director of the U.S. Operations Mission, Libya, effective April 19. (For biographic details, see Department of State press release 289 dated April 27.)

Resignations

Mrs. Clare Boothe Luce as Ambassador to Brazil. (The Senate on April 28 had confirmed Mrs. Luce to be Ambassador to Brazil. For text of her letter of resignation and a statement by James C. Hagerty, Press Secretary to the President, see White House press releases dated May 1.)

Check List of Department of State Press Releases: April 27-May 3

Press releases may be obtained from the News Division, Department of State, Washington 25, D.C.

Releases issued prior to April 27 which appear in this issue of the BULLETIN are Nos. 271 of April 20 and 278 and 279 of April 22.

No.	Date	Subject
288	4/27	Guinea credentials (rewrite).
*289	4/27	Brown designated director, USOM, Libya (biographic details).
290	4/27	Herter: departure for Foreign Ministers meeting.
291	4/29	Hanes: Senate Internal Security Subcommittee.
292	4/29	Foreign Service officer examination.
293	4/30	Hart: "Tensions and U.S. Policy in the Near and Middle East."
294	4/30	Dillon: "America's Role in International Economic Cooperation."
295	4/30	Murphy: Religion in American Life, Inc.
†296	5/1	<i>Foreign Relations</i> volume.
†297	5/1	Wilcox: "The U.S. and the Challenge of the Underdeveloped Areas of the World."
†298	5/1	Satterthwaite: "The U.S. and West Africa: A Survey of Relations."
299	5/1	Western Foreign Ministers' communique.
†300	5/2	Becker: "Just Compensation in Expropriation Cases: Decline and Partial Recovery."

* Not printed.

†Held for a later issue of the BULLETIN.

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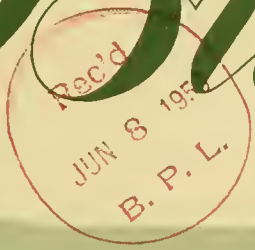
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Vol. XL, No. 1039

May 25, 1959

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THE DEPARTMENT OF STATE

Bulletin

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May 25, 1959

The Department of State BULLETIN, a weekly publication issued by the Public Services Division, Bureau of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, United Nations documents, and legislative material in the field of international relations are listed currently.

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Report to the Nation

PROGRAM FOR PEACE IN EUROPE

*Address by Secretary Herter*¹

Fellow Americans: Two weeks ago President Eisenhower gave me the high honor of appointing me Secretary of State.

Tomorrow I leave for Geneva to participate with the other Foreign Ministers in negotiations with the Soviet Union on the problems resulting from the continued division of Germany. President Eisenhower has asked me in this, my first report to you, to discuss these problems on the eve of the Conference.

For 6 years that great statesman, John Foster Dulles, represented the United States in negotiations with the Soviet Union. People all over the world have been paying tribute to his remarkable work in the cause of peace with justice. His wise and courageous example will serve us well in the days to come.

I should like to assure you that there will be no lack of continuity in our foreign policy. The position we have adopted for the coming Conference is fully consistent with policies developed over the past years.

The Western Position

Last week I met in Paris with the Foreign Ministers of France, the United Kingdom, and the Federal Republic of Germany.² We reached complete agreement on the Western position to be presented to the Soviets at Geneva. This position contains fair solutions for the problems of divided Germany, including a peace treaty, Berlin, and

¹ Made to the Nation by television and radio on May 7 (press release 315).

² BULLETIN of May 18, 1959, p. 699.

European security. The North Atlantic Council has given its approval.

We therefore go to Geneva with a united position. The 15 nations of the North Atlantic Alliance are as one in saying to the Soviet Union: If you are willing to engage in honest negotiation, here is a basis for securing a lasting peace in Europe.

On the eve of the Geneva Conference this high degree of unity is heartening.

France, the United Kingdom, and the United States go to Geneva sincerely determined to negotiate patiently and constructively. We will not deviate from our basic principles. But we are willing to negotiate about their application, provided that concessions from us are matched by equivalent counterconcessions from the Soviet Union.

We hope the Geneva talks will prove to be businesslike negotiations and not a propaganda exercise. It was for this reason we agreed at Paris that we would not make public the comprehensive Western position until it was presented to the Soviets at the Conference. I know you will appreciate that it would be unwise to precipitate a long-range discussion of this position before serious negotiations begin.

I am glad that the Foreign Ministers Conference will be conducted in the Palace of the Nations at Geneva through the hospitality of the United Nations. Secretary-General Hammarskjöld will open the meeting with an address of welcome. This is particularly fitting since the Western position reflects the principles of the United Nations Charter.

Berlin Crisis Created by Soviets

How did the latest tensions—revolving around Berlin—get started? Let's take a look at the record.

The Soviet Union deliberately created the crisis from which the Geneva Conference results. The Soviet diplomatic note on Berlin of November 27, 1958,³ contained both a demand and a threat.

The demand was that the three Western Powers withdraw their forces from West Berlin. The Western Powers—with unanimous NATO support—rejected that demand. Our forces are in the city under rights arising out of the war and subsequent international agreements. If they withdrew, West Berlin's 2¼ million people would be at the mercy of the Communist imperialist power which surrounds them. You will recall that Berlin is separated from West Germany by more than 100 miles of Communist territory.

The threat in the Soviet note was that the Soviet Union would abandon its existing obligations to assure free access to Western forces in Berlin. It would do this by turning over to its puppet, the East German regime, its control of the access routes. It would then be up to the East Germans to decide what, if any, access the United States, the United Kingdom, and France could have to West Berlin.

The Soviet rulers obviously felt that free and prosperous West Berlin was dangerous to them because it displayed to East Germany and Eastern Europe the benefits of a free society. The Soviets have talked much about peaceful coexistence. They have boasted that under peaceful coexistence the ultimate victory of the Communist way of life is inevitable. Here, however, pending reunification, peaceful coexistence has existed for 10 years, with communism in one part of the city, with freedom in the other. This is coexistence, and it is peaceful. But from the Communist point of view it is obviously a failure. Otherwise, how explain their anxiety to terminate it, how explain the constant flow of refugees who give up homes, jobs, sometimes families in East Germany to seek freedom and human dignity?

In maintaining both our right of access and our forces in West Berlin we are honoring our re-

³ For texts of the Soviet note and the U.S. reply, see *ibid.*, Jan. 19, 1959, p. 79.

peated pledges to the people of that city. If these pledges are not fulfilled, our other pledges around the world will soon be called in question. As the distinguished British Secretary of State for Foreign Affairs, Selwyn Lloyd, said recently: "If Berlin goes, what goes next?"

In the view of the people of West Berlin, as recorded in the plebiscite of last December, American, British, and French troops are there as protectors. They are there to safeguard the freedom of more than 2 million men, women, and children.

We shall stand firm at Geneva in upholding our rights and responsibilities in Berlin. But firmness does not imply an unwillingness to negotiate in good faith.

Problem of a Divided Germany

The Soviet Union, after having created the crisis over Berlin, has agreed that a Foreign Ministers Conference be held in Geneva to discuss all the factors involved in the continued division of Germany, including Berlin and European security. The challenge from the Soviet Union has thus created an opportunity. This is a chance to settle not just the problem of Berlin but, much more important, the problem of the reunification of Germany. There can be no lasting solution for Berlin by itself. The problem ceases to exist only when that city again becomes an integral part of united Germany.

The United States will use its best efforts in seeking a solution to the problem of divided Germany. We are convinced that as long as Germany remains divided the peace in Europe will continue to be threatened. And twice in this century we have seen that when major war comes to Europe it comes to all the world. In the meantime a precarious peace will live hand-to-mouth from month to month.

The division of Germany creates an unnatural situation. Millions of Germans are separated from relatives, friends, business and working associates, and fellow countrymen by this artificial division. One-fourth of all Germans are subjected to a rule not of their choice, imposed by foreigners. Three million Germans have fled from that alien tyranny to the West. History gives us this lesson: Mankind will never give up its struggle against inhumanity and injustice.

Fears have been entertained that a reunited

Germany would be a threat to peace. Provided German reunification is integrated with European security measures, as we shall propose at Geneva, the contrary is true. A Germany united in connection with European security measures can and will play a constructive and peaceful role in the development of Europe as a whole.

The Western allies are hopeful that the Soviet Union will see the wisdom of this approach. Surely it must become apparent to the Soviets that in the long run they face a greater danger from continuing the disunity of Germany.

Some may think the Western position is not realistic because the Soviet Union may well reject it. This to my mind is certainly no reason for failing to set forth a proposal we believe to be both sound and just. We shall make every effort to convince the Soviet representatives that its acceptance would be in their interest as well as in our own.

If the Soviets do not seriously want to negotiate at Geneva, the world will see that it is the Soviet Union alone which is blocking the free choice of the German people and the chance for true peace.

Basic Principles of Western Policy

The basic principles that will guide us in the coming talks are clear.

First, we believe in unity for the German people in one nation, under a government of their own choice. We cannot accept a permanently divided Germany.

We recognize, however, that the consequences of the division of Germany during the last 14 years cannot be removed overnight. Reunification will therefore have to be a gradual process assuring time for all the peoples concerned to adjust to the change.

Second, we believe that there should be ample security safeguards and arms-control arrangements for the nations so that they can have assurance of being able to develop in peace and prosperity.

Third, we believe in guaranteed freedom for Berlin, with no reduction of existing rights and obligations, until Berlin can again assume its appropriate place in a united Germany.

Thus the heart of our policy can be clearly and simply said to be this: a Germany reunited in

freedom, a security system linked with arrangements for arms control, and in the interim a free and secure Berlin.

Patient Negotiation

My fellow Americans, let me be frank with you. I do not go to Geneva with great expectations. The past record of negotiating with the Soviets does not warrant much optimism. Although the Western Powers have constantly sought agreement, we must not lose sight of the deep gulf that unfortunately divides the free world from the Communist bloc.

Negotiations with the Soviets can be very long-drawn-out. We should not expect quick or easy agreement. Some 400 meetings with Soviet representatives were required to reach agreement on the state treaty which restored freedom to Austria in 1955. Since it is our national characteristic to get things done quickly, we Americans are perhaps inclined to be impatient of delays in solving international problems. We must learn new patience in dealing with questions in which war or peace may be at stake. The best we can look for is slow progress toward the ultimate goal of international stability which only a just peace will bring.

We shall go into the Geneva talks with these general purposes:

Honestly and in good faith to seek some advance, even if small, toward a just peace.

To stand firm against pressure. We aim to make perfectly clear to the Soviets once again that we have the power and the will to maintain free-world positions. We do not intend to give the Soviets any reason to think that pressure tactics will profit them or divide and weaken the West.

To strive to probe Soviet intentions so as to obtain a better idea of their thinking. There is some chance that, even if no broad agreements are reached at these talks, better mutual understanding might still result.

To seek agreements that mean something. We shall try to reach agreements which rely either on self-enforcing provisions or on the obvious self-interest of the nations concerned.

To seek to relax tension. We want to lessen the strains on free world-Communist bloc relations so as to reduce the dangers of war and pro-

mote the chance of further progress. But we seek solid accomplishments and not merely deceptive promises.

Prospect for Summit Conference

The President and I hope that the Geneva Conference will so develop as to lead to a summit conference. President Eisenhower has stated publicly his readiness to attend a summit meeting if developments at the Foreign Ministers Conference justified it. This means that the Foreign Ministers meeting must give some promise that a summit meeting would have a reasonable prospect of advancing the cause of peace. The eyes of the world are bound to be focused on a meeting of the Heads of Government. It would be unfair to all peoples to risk shattering their hopes and expectations by engaging in summit talks under conditions likely to produce failure.

A Firm Stand

One fact must be faced squarely. Fear and appeasement will not in the long run reduce the danger of war. Only courage and a firm stand on our rights and principles can do this. Once the Communist rulers soberly realize the depth of our solemn Berlin commitment, we believe they will refrain from putting to trial by force the present right and obligation of the Western Powers to preserve the freedom of the people of West Berlin.

If dangerous tensions over Berlin are eventually relieved, let us hope the Soviets will realize more clearly that they and the free world now have a primary interest in common—to avoid war. If so, perhaps the Soviets will see the wisdom of not again kindling a crisis, such as Berlin, from which war could conceivably quickly break out.

Perspective on Geneva Talks

The Geneva talks must be viewed in the perspective of worldwide problems and policies.

In a world of change and growth, many ferments are at work: nationalism, anticolonialism, the yearnings of the destitute for a fuller life. We must try to understand these forces and to influence inevitable change along peaceful evolutionary courses.

Amazing new material forces are shrinking our world. International problems are becoming

community problems in which all peoples have a stake.

The Communists have won successes in exploiting the currents of change for their own revolutionary purposes. But lately there has developed among many peoples a fresh understanding of the real purposes of Communist imperialism. The Red tide that threatens Iraq is bringing home to the Arab peoples the Kremlin's designs on the Middle East. The ruthless Soviet repression of the Hungarian revolt showed what the Soviets mean when they profess no interference in the internal affairs of other countries. And now the tragic events in Tibet have dramatized in blood the clear and present Chinese Communist threat to all free Asians.

In our struggle for the future of mankind, America seeks peace by outlawing the aggressive use of force and by gradually establishing international customs and institutions which will make for peace. It tries to promote human dignity and freedom. And America encourages economic development, because peace can only be maintained if there is continuing prospect for increasing human welfare.

The most pressing problem, of course, is that of peace. In a world which is rapidly exploiting nuclear energy and thrusting into outer space, the maintenance of peace among the nations is more urgent than ever before in history.

Peace is not a static condition. As President Eisenhower has said,⁴

The peace we seek is a creative and dynamic state of flourishing institutions, of prosperous economies, of deeper spiritual insight for all nations and all men. . . . We are in a fast-running current of the great stream of history. Heroic efforts will long be needed to steer the world toward true peace.

Beyond the present crisis looms a long period of competition between the free world and the Communist bloc. If the Communists have the faith they profess in their system, they should not oppose open and fair competition with the free lands. We welcome such competition. We have confidence in freedom's future.

I even dare to hope that, as the interdependence of all peoples on earth becomes more evident, competition will increasingly be tempered by cooperation. It is not impossible that the present ag-

⁴ *Ibid.*, Jan. 6, 1958, p. 3.

gressive phase of international communism will be succeeded by a period of more responsible Soviet policies.

If war is to be contained in this nuclear era, the great powers will have to exercise restraint in dealing with the crises spontaneously generated by the tides of change and growth now surging through the world. Control of these crises must be governed by reasonable agreements among the nations as well as through the operations of the United Nations. Successful negotiations with the Soviet Union this year could make a good beginning for this indispensable development.

This then fits into the strategy which President Eisenhower described in saying,⁵

There lies before the free nations a clear possibility of peaceful triumph. There is a noble strategy of victory—not victory over any peoples but victory for all peoples.

Role of the American People in Foreign Affairs

In concluding my report to you, I should like to speak of the role of the American people in foreign affairs. Foreign policy is not an obscure art for a few specialists. It is of importance to all of us. Therefore, it must be of interest to all of us. Our foreign policy, to be successful, requires your continuing understanding and support.

This is an era in which with startling suddenness science and technology have so compressed the world that the question of America's relations with other nations has become a matter of life and death for all Americans.

This sobering reality should help us to see our national security problems in a new light. We should see more clearly the need not only for patience and unrelenting effort, but also for deep and continuing sacrifice. With the security and interdependence of the whole free world at stake, it is important for Americans to support their country's political and economic cooperation with other countries.

Before leaving for Geneva tomorrow, I therefore ask for the understanding and support of you, my fellow Americans. Your understanding and support are tremendously important for the successful accomplishment of the jobs ahead.

⁵ *Ibid.*

Our great national objectives will be achieved only if all Americans have a sense of sharing in them. In facing these tasks, I trust that we will seek to realize ever more truly those universal aims in which under divine providence all men of good will can unite.

NATO and U.S. Refute Soviet Charges on Modernization of NATO Defenses

Following are texts of a statement released at Paris on May 7 by the North Atlantic Council and a note delivered on May 8 by the American Embassy at Moscow to the Soviet Ministry of Foreign Affairs, together with the text of a Soviet note of April 21.

NATO STATEMENT OF MAY 7

The Council considered on 6th May the recent Soviet notes addressed to several NATO Governments, in which it was represented that the current programmes of the NATO powers for the introduction of modern weapons were an attempt to torpedo in advance the negotiations which will begin in Geneva on 11th May. The same allegations are to be found in the communique issued after the Warsaw Pact meeting of 28th April.

On the eve of the Geneva Conference, the Soviet leaders appear to be misinterpreting Western intentions in proceeding with the orderly development of their programme for modernising the forces of the Alliance. The Council have reviewed, in consultation with the NATO military authorities, the progress made in the equipping and training of the forces of the Alliance with modern arms, including arrangements concluded or under negotiation between certain NATO countries for the necessary training of personnel and exchange of information in this field.

The Council noted that these programmes for improving NATO defences are the consequence of long-established NATO policies which were arrived at through joint decisions of NATO countries. Certain aspects of these programmes now require parliamentary approval in some member countries. They have been in the process of implementation for over two years, as is shown by the statement issued after the Heads of Gov-

ernment meeting of December 1957,¹ reaffirming the decision previously taken to equip the NATO forces with modern weapons. This disposes of any suggestion designed, as alleged in the Soviet notes, to prejudice the success of the forthcoming meeting in Geneva.

The Council agreed that the considerations expressed in its communiques of May and December 1957 are still valid today. On 19th December, 1957, the NATO Heads of Government stated that

The Soviet leaders, while preventing a general disarmament agreement, have made it clear that the most modern and destructive weapons, including missiles of all kinds, are being introduced in the Soviet armed forces. In the Soviet view, all European nations except the U.S.S.R. should, without waiting for general disarmament, renounce nuclear weapons and missiles and rely on arms of the pre-atomic age. As long as the Soviet Union persists in this attitude, we have no alternative but to remain vigilant and to look to our defences. We are therefore resolved to achieve the most effective pattern of NATO military defensive strength, taking into account the most recent developments in weapons and techniques.

The Council recalls and emphasises particularly the following statement which was included in the communique of 3rd May, 1957²:

Pending an acceptable agreement on disarmament, no power can claim the right to deny to the Alliance the possession of the modern arms needed for its defence. If, however, the fears professed by the Soviet Union are sincere, they could be readily dissipated. All that is needed is for the Soviet Union to accept a general disarmament agreement embodying effective measures of control and inspection within the framework of the proposals made on numerous occasions by the Western Powers, which remain an essential basis of their policy.

Finally, the Council recalled the following statement in the Heads of Government communique: "We are also prepared to examine any proposal, from whatever source, for general or partial disarmament, and any proposal enabling agreement to be reached on the controlled reduction of armaments of all types."

U.S. NOTE OF MAY 8

Press release 316 dated May 8

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the Union of Soviet Socialist Re-

publics and with reference to the Ministry's Note number 28/OSA of April 21 has the honor to state on instruction of its Government the following:

In its note the Soviet Government, citing selected press reports, has presented certain elements of long-established defense programs of the United States and its Allies in a misleading manner. It discussed its version of recent developments in these programs as if they were in some way comparable to the type of unilateral action mentioned in connection with the United States note of March 26³ relating to the Soviet threat to disavow its responsibilities for Berlin and access to Berlin and to sign a separate peace treaty with the so-called German Democratic Republic. The Soviet Government, on this basis, asserted that the United States Government is attempting to jeopardize the success of the forthcoming negotiations at Geneva beginning May 11.

To correct the distortions contained in the Soviet Government's note, the United States Government wishes to draw the attention of the Soviet Government to the press communique issued by the North Atlantic Council on May 7, 1959, which sets forth clearly the facts regarding the nature of the defense programs of the North Atlantic Treaty Organization of which the United States is a member.

In this press communique the Council noted that these programs for improving NATO defenses are the consequence of long-established NATO policies which were arrived at through joint decisions of NATO countries. Certain aspects of these programs now require parliamentary approval in some member countries. They have been in the process of implementation for over two years, as is shown by the statement issued after the Heads of Government meeting of December 1957, reaffirming the decision previously taken to equip the NATO forces with modern weapons. This disposes of any suggestion that these measures, which have no aggressive purpose, are designed, as alleged in the Soviet notes, to prejudice the success of the forthcoming meeting in Geneva.

The Council went on to say that the considera-

¹ For text, see BULLETIN of Jan. 6, 1958, p. 12.

² For text, see *ibid.*, May 27, 1957, p. 840.

³ For text of U.S. note of Mar. 26, 1959, see *ibid.*, Apr. 13, 1959, p. 507.

tions expressed in its communique of May and December 1957 are still valid today, referring particularly to the statement of the NATO Heads of Government of December 19, 1957, pointing out that: "The Soviet leaders, while preventing a general disarmament agreement, have made it clear that the most modern and destructive weapons, including missiles of all kinds, are being introduced in the Soviet armed forces. In the Soviet view, all European nations except the U.S.S.R. should, without waiting for general disarmament, renounce nuclear weapons and missiles and rely on arms of the pre-atomic age."

Recent statements by Soviet leaders, notably by Marshal Malinovski on February 9, 1959, make clear that the Soviet Government persists in this attitude.

The United States Government has noted the reference in the Soviet Government's note to the hopes which are being placed throughout the world on the conference of Foreign Ministers beginning May 11 as well as the Soviet Government's statement that it is among those who sincerely want this conference to open the way for healthy relations and cooperation among governments. The record clearly shows that the United States has consistently sought a meaningful meeting of the Foreign Ministers. As was stated in its note of March 26, the United States Government believes that the Foreign Ministers' meeting should reach positive agreements over as wide a field as possible and in any case narrow the differences between the respective points of view. The United States is proceeding to the forthcoming negotiations at Geneva with a full desire to make every effort to bring them to a fruitful conclusion. It looks to the Soviet Union to display the same attitude in accordance with the many Soviet public protestations of such a desire.

SOVIET NOTE OF APRIL 21

Unofficial translation

No. 28/OSA

The Ministry of Foreign Affairs of the Union of Soviet Socialist Republics on the instruction of the Soviet Government considers it necessary to draw the attention of the Government of the United States of America to the following.

Efforts which have been undertaken in the course of a prolonged period by the Government of the Union of Soviet Socialist Republics as well as by the governments

of a number of other states have led to the achievement by the Governments of the Union of Soviet Socialist Republics, United States of America, England and France of an agreement to proceed toward a solution of urgent international questions by means of negotiations. Great hopes are being placed in the whole world on the Conference of Foreign Ministers opening 11 May in Geneva and on the conference to follow of Heads of Governments. The Soviet Government belongs among those who sincerely want these conferences to be crowned by the liquidation of the cold war and to open the way for healthy interrelations and peaceful cooperation of states. It will not be an exaggeration to note that the agreement of the states of East and West to meet at the negotiating table with the aim of settling acute international problems is the most significant, positive result of the development of international relations in recent years.

It is clear that now, on the eve of negotiations, their participants as well as governments of other states interested in a favorable outcome of these negotiations ought to consider it their duty to do everything dependent on them in order to facilitate the strengthening of confidence and mutual understanding, to ease the search for mutually acceptable solutions and above all to refrain from actions which could complicate the international situation and prevent the success of the conferences.

Nevertheless reports have appeared in the press of Western countries recently that the Government of the United States of America is undertaking measures in order to push the nuclear and rocket armament of certain state-participants of the North Atlantic bloc, to speed up the implementation of plans for stationing its rocket bases on the territories of these countries. Following Italy, which has just concluded with the United States of America an agreement about the stationing on its territory of American rocket sites, the conclusion of analogous agreements with the Governments of Greece, Turkey, Federal Republic of Germany and certain other countries is now being prepared.

It is beyond any doubt that the creation of American rocket bases in Greece would cause a sharp worsening of the situation in the Balkan peninsula and in the south of Europe and the atomic armament of Turkey, which besides that is included in the Baghdad Pact, would lead to a serious increase of the military danger in the Near and Middle East which is even without this a region extremely subject to shocks.

As for the Federal Republic of Germany, the Soviet Government has already repeatedly drawn the attention of the Governments of the United States of America, England and France as well as the Government of the Federal Republic of Germany itself to the extremely serious and dangerous consequences to the cause of peace to which the atomic armament of Western Germany would inevitably lead.

At the same time the Soviet Government considers it necessary especially to point out that by expanding preparations for atomic war on the territory of the Federal Republic of Germany and by aiding in the equipment of the Bundeswehr with nuclear and rocket armament,

the Government of the United States of America is violating the conditions worked out by the Allied Powers after the rout of Hitlerite Germany at the time of its capitulation and accepted by the German representatives, which prohibited the armament and militarization of Germany which was a guarantee of future peace and security. Therefore the Soviet Government considers measures for the atomic armament of the Federal Republic of Germany as illegal and protests against them. The Soviet Government retains for itself the right, as a party which fought against Hitlerite Germany and signed the document of military capitulation and the declaration about the defeat of Germany, to draw the appropriate conclusions for itself in relation to Western Germany.

At the present moment, when the Governments of the United States of America, England and France and also the Government of the Federal Republic of Germany, have expressed agreement to discuss in forthcoming negotiations the question about a peace treaty with Germany, it would be impossible to evaluate measures for the atomic armament of the Federal Republic of Germany otherwise than as an attempt beforehand to torpedo these negotiations. It is impossible not to come to the conclusion that the measures being prepared for the atomic armament with nuclear and rocket weapons of the Federal Republic of Germany, Greece, Turkey, and certain other state-participants of the North Atlantic bloc and the plans for the stationing on the territories of these countries of American sites for launching rockets are in contradiction with those tasks which stand before the Conference of Ministers of Foreign Affairs and the Summit Conference.

The question arises whether an attempt is not here being made to confront the forthcoming conferences with accomplished facts in order to bring to naught the possibilities of achieving agreements, if not in general to undermine the very understanding about negotiations between East and West.

It goes without saying that all responsibility for the consequences of this would fall on the Government of the United States of America and the governments of those allies of the United States of America in NATO who are so little concerned with facilitating the success of the forthcoming negotiations.

The Government of the Union of Soviet Socialist Republics has regarded with understanding the statements which the Ambassadors of the United States of America, England and France in Moscow made on March 26 of this year to the Minister of Foreign Affairs of the Union of Soviet Socialist Republics, namely, that in the opinion of the three above governments unilateral actions of any government in the period of preparation for the forthcoming conferences will hardly facilitate their successful outcome. The Soviet Government therefore would have a right to expect that the Government of the United States of America as well as the Governments of the other Western Powers will also themselves act in the same manner and not be limited by the expression to the Government of the Union of Soviet Socialist Republics of such hopes.

In connection with the above the Soviet Government

expresses the hope that the Government of the United States of America will regard with all seriousness the considerations expressed in the current note.

U.S. Brings Senate Resolution to Attention of Soviet Union

Following is the text of a U.S. note which was delivered to the Soviet Minister of Foreign Affairs at Moscow on May 5.

Press release 305 dated May 5

The Ambassador of the United States of America presents his compliments to the Minister of Foreign Affairs of the U.S.S.R. and has the honor, under instructions from his Government, to draw the attention of the Soviet Government to Resolution 96 of the Senate of the United States dated April 30, 1959.

RESOLUTION

WHEREAS the goal of the people of the United States is a just and lasting peace; and

WHEREAS the peace of the world is threatened by an arms race of major proportions among the leading powers of which key aspects are the continuing development of devastating nuclear weapons and the maintenance of large standing armies by some states; and

WHEREAS for thirteen years negotiations to control and limit armaments and armed forces have not led to agreement; and

WHEREAS representatives of the United States, the United Kingdom, and the Soviet Union are now meeting in Geneva for the purpose of drafting a treaty on the discontinuance of nuclear weapons tests; and

WHEREAS an effective agreement to discontinue nuclear weapons tests would result in a reduction of the hazard from radioactive fallout which contaminates the air that the people of the world must breathe, and which is a matter of grave concern to all mankind; and

WHEREAS an effective worldwide control system is a necessary component of any international agreement on the cessation of nuclear weapons tests in which all states are to have confidence; and

WHEREAS an agreement regarding the discontinuance of nuclear weapons tests under an effective

tive control system would provide an opportunity to ease world tensions and realize a small but significant first step toward the goal of the control and reduction of nuclear and conventional armaments and armed forces: Therefore, be it

Resolved, That the Members of the Senate support the efforts of the United States to continue to negotiate for an international agreement for the suspension of nuclear weapons tests; and be it further

Resolved, That the Senate emphatically endorses the principle that an adequate inspection and control system must be part of any such international agreement involving a suspension of nuclear weapons tests; and be it further

Resolved, That the Senate requests the President of the United States to submit to the Soviet Government the contents of this resolution so that the desire of the American people speaking through their representatives in the Senate will be known and be made clear for the successful outcome of the negotiations in Geneva for an effective and reliable agreement for the discontinuance of nuclear weapons tests.

Ambassador Queries Soviet Premier on Case of Missing Flyers

*Statement by James C. Hagerty
Press Secretary to the President*¹

On instructions from the President, the United States Ambassador to the Union of Soviet Socialist Republics, Llewellyn E. Thompson, today had an interview with the Chairman of the Council of Ministers of the U.S.S.R., Nikita Khrushchev, in connection with the case of the United States Air Force C-130 transport plane that was shot down by Soviet fighter aircraft over Soviet Armenia on September 2, 1958.² The Ambassador's representation dealt particularly with the President's concern for the fate of the 11 members of the crew who are still missing and unaccounted for.

¹ Made on May 4 in reply to a question concerning a conference between Llewellyn E. Thompson, Ambassador to the U.S.S.R., and Soviet Premier Nikita Khrushchev (White House press release).

² For background, see BULLETIN of Feb. 23, 1959, p. 262.

World Bank Increases Reserves \$51 Million

The International Bank for Reconstruction and Development reported on May 4 that its reserves had risen by \$51 million in the first 9 months of the current fiscal year to a total of \$400.6 million.

The additions to reserves in the 9-month period ending March 31, 1959, are made up of net earnings of \$33.5 million which were placed in the Supplemental Reserve against losses on loans and guarantees, and loan commissions of \$17.6 million which were credited to the Special Reserve. On March 31 the Supplemental Reserve totaled \$269.1 million and the Special Reserve \$131.5 million.

Gross income, exclusive of loan commissions, was \$89 million. Expenses totaled \$55.5 million and included \$48 million for interest on the Bank's funded debt, bond issuance, and other financial expenses.

During the period the Bank made 22 loans totaling \$514.5 million—in Austria, Brazil, Ceylon, Colombia (2 loans), Costa Rica, Denmark, Ecuador, El Salvador (2 loans), Federation of Malaya, Finland, India (2 loans), Japan (5 loans), Peru, South Africa, and Sudan. This brought the total number of loans to 226 in 49 countries and raised the gross total of commitments to \$4,333.3 million.

Disbursements on loans were \$473 million, making total disbursements \$3,267.9 million.

The Bank sold or agreed to sell the equivalent of \$72 million principal amounts of loans. At March 31 the total amount of such sales was \$492 million, of which all except \$69 million was without the Bank's guarantee.

Repayments of principal received by the Bank amounted to \$35.9 million. Total principal repayments amounted to \$475 million on March 31; this included \$255 million repaid to the Bank and \$220 million to the purchasers of borrowers' obligations sold by the Bank.

The outstanding funded debt of the Bank amounted to \$1,840 million on March 31, 1959, reflecting a net increase of \$181.6 million over the past 9 months. In this period new bond issues and private placements of Bank obligations amounted to the equivalent of \$343.9 million. Outstanding debt was increased a further \$27 million by delivery of bonds which had been subject to delayed delivery arrangements. Funded debt maturing amounted to \$157 million and sinking and purchase fund transactions \$11 million.

The United States and West Africa: A Survey of Relations

by *Joseph C. Satterthwaite*
*Assistant Secretary for African Affairs*¹

In the preface to a recent issue on Africa the editors of one of our popular magazines wrote: "On a land which has remained much the same for aeons, all the changes which have taken place elsewhere are happening at once."

Indeed, this is the Africa we find today—a land where everything is happening at once. And keeping up with these happenings—constitutional struggles in East and Central Africa; the endless quest for economic and social advancement; civil strife in Nyasaland, the Belgian Congo, and the Congo Republic; the conflict between democracy and communism, colonialism and nationalism, equality and racism—is more than a full-time occupation.

If I were to discuss even briefly all the points that I could cover in a speech on Africa as a whole, I would keep you here all evening. Accordingly, to serve the purposes of the Earlham College Institute of Foreign Affairs and to present a rounded discussion in the normal time allotted, I shall confine my remarks to one very dynamic sector of the continent: West Africa.

Let me define, first, what we mean by West Africa. In the arbitrary division of geographic areas in the Department of State, we consider the following 22 countries and territories to constitute West Africa: the independent states of Liberia, Ghana, and Guinea; the United Nations Trust Territories of Togo and British and French Cameroons; the 7 former territories of French

West Africa, namely, the autonomous state of Senegal and the Republics of the Ivory Coast, Soudan, Mauritania, Volta, Niger, and Dahomey; the 4 former territories of French Equatorial Africa, namely, the autonomous republics of Gabon, Congo, Central Africa, and Chad; Nigeria, Sierra Leone, and Gambia, which are British; Portuguese Guinea; and Spanish Guinea.

While originally colonized by European powers, West Africa has not known actual settlement by Europeans in any appreciable numbers. For this reason most of the states and territories of West Africa have been able to develop unhampered by the problem of multiracial competition which arouses such passions in other parts of the continent.

The population of this huge area is conservatively estimated at 72 million. It includes the largest number of Muslims south of the Sahara, although Christian missionary activity over the last century has also resulted in the conversion of millions to Christianity. The majority, however, remain pagan or animist.

The terrain of the area varies from the great Sahara Desert, with its hot, arid climate, to the steaming jungles and rain forests of the Guinea coast and Congo regions. Its peoples speak hundreds of different African tongues and represent an equal number of different tribes of basic Negroid, Semitic, and Hamitic stock.

Although there are many aspects of West Africa I could discuss, I shall limit myself principally to a consideration of the current political evolution of the region and the role of the United States there.

¹ Address made before the Institute of Foreign Affairs, Earlham College, Richmond, Ind., on May 1 (press release 298).

West African Political Evolution

A spirit of independence and a desire for self-determination permeate West Africa today, but an understanding of the need for and desirability of close ties with Western Europe is also widespread among West African leaders.

In 1960 the three currently independent West African states—Liberia, Ghana, and Guinea—will be joined in independence by two United Nations trust territories under French administration—Cameroun, a land of almost 4 million people, and Togo, with a million inhabitants—as well as by the Federation of Nigeria, the giant of all of Africa in terms of population, with an estimated 34 million people.

Aside from the increasing number of independent states, a trend toward regional association is also apparent in West Africa.

The Ghana-Guinea “nucleus” for a union of West African states, founded following issuance of a joint declaration by Prime Minister Kwame Nkrumah and President Sekou Touré last November, has not yet developed sufficiently to permit of analysis, although Ministers Resident have been exchanged between the two countries. Guinea has joined the United Nations as an individual member and has signed a series of agreements with France, by which it remains in the franc zone, and with Liberia and several members of the Soviet bloc. On its part, Ghana retains sterling-bloc ties and membership in the British Commonwealth of Nations. The pattern for further strengthening of ties between Ghana and Guinea, whose combined population approximates 7,500,000, is not yet clear although Prime Minister Nkrumah’s current visit to Guinea may unfold some new thinking on the subject.

Eleven territories of West Africa have voted to join the new French Community, formally established on April 5, 1959. Under terms of the new French Constitution, which I am sure my good friend and colleague from the French Embassy in Washington has already explained, the French Community member states each have complete local autonomy but such matters as foreign relations, defense, and currency are the common responsibility of the Community. Under terms of the Constitution it is also possible for territories to become members of the Community, either separately or in association with other states, or even to secede from the Community.

The Mali Federation, with a population of about 5½ million people, includes the autonomous state of Senegal and the Soudanese Republic, both members of the French Community, and has named Dakar as its capital.

Speaking of the philosophy behind the Mali Federation, Leopold Senghor, President of the Mali Assembly, is quoted as saying in his investiture address April 6:

“What we want is to forge a great fraternal ensemble together with France, but for the achievement of that ideal the Mali Federation must first exist associated with France.

“The independence of a people,” he went on, “even when they are established as a nation, cannot but be relative. It fits into the realities that make up the interdependence of nations. Our states, our underdeveloped peoples of black Africa, need one another. We need Europe, first of all France, to which we are linked by history.

“Our goal,” he concluded, “is to achieve African unity in the framework of a federal republic, of which the Mali Federation is the first phase.”

To the north of the Mali Federation lies the Mauritanian Islamic Republic with a small population estimated at between 600,000 and 750,000, mainly Moors of Hamitic-Semitic stock and a minority of Negroid peoples in the south. The present Government of Mauritania wishes to make its vast territory a bridge between the Arab and African worlds and has expressed an interest in economic and customs cooperation with the Mali Federation.

A trend toward loose association and economic cooperation is now evolving among the four other territories of the former French West African Federation under the leadership of Houphouët Boigny, the major political leader of the prosperous Ivory Coast Republic.

During recent visits to Abidjan the Prime Minister of the Volta Republic, Maurice Yameogo, and the Prime Minister of the Republic of Niger, Hamani Diori, each signed regional agreements establishing the basis for loose political and economic cooperation between their Governments and the Government of the Ivory Coast. The agreement with the Volta Republic, among other things, calls for the joint direction of the port of Abidjan in the Ivory Coast and establishment of a customs union and of a solidarity fund, and reflects the

already existing close economic ties between Volta and the Ivory Coast.

This development of an area of cooperation among the Ivory Coast, Volta, Niger, and possibly Dahomey—with a combined population of 9 million—would indicate that the trend toward regional association among former French West African territories for mutual economic advantage is growing in strength.

The recent tragic death of the leader of the Central African Republic, Barthelémy Boganda, the advocate of a strong state uniting all of former French Equatorial Africa and even extending beyond it, has slowed down and may have ended the leadership impetus toward regional federation among these territories. Political parties in the four autonomous French Community republics of Gabon, Congo, Central Africa, and Chad are often formally affiliated with the large inter-territorial political parties of former French West Africa, but these ties are not precise and their own parties are almost exclusively local in character.

Although there thus appears to be little basic strength to a federation movement among the four former territories of Equatorial Africa, whose population approximates 5 million, it is likely that a customs union and other technical cooperation among the four states will be arranged.

The oldest republic in Africa is Liberia. In view of our long and cordial association the United States is particularly alert to important policy decisions on the part of its Government. A significant decision was made on January 26, 1959, when President William V. S. Tubman formally announced his readiness to support the creation of an "Associated States of Africa," based on treaty relationships and recognizing the separate identity of each member state. This suggested association would provide a means for continuous consultation and would accommodate regional associations which might establish regional institutions in the fields of health, scientific research, and cultural exchanges and which might undertake a uniform tariff reduction.

In summary, we can conclude that on the one hand West Africans share certain common historical experiences, backgrounds, and conditions, but on the other the obstacles to regional unity are still great. As a consequence it appears that just as in the early days of our history we experienced a great struggle between the Hamiltonian

Federalists, or strong central government party, and the Jeffersonian Democrats, or States' rights party, so West Africans may witness a struggle between the proponents of political union and those who oppose curtailment of individual state sovereignty. It would also appear that West African political leadership will place considerable emphasis on functional cooperation in such fields as common economic policy and customs services.

U.N. Trust Territories

Much has been heard in the United Nations this year about progress being achieved in West African United Nations trust territories. As a result, it has been agreed that the French Trust Territories of Togo and Cameroun will become independent in 1960.

Togo, a small country of just over 1 million inhabitants, must face the problem of the impulse for unification among the Ewe people, who are divided between Togo and Ghana. Togo's Prime Minister, Sylvanus Olympio, must grapple with this problem. Politically Togo has at least three alternatives: (1) to "go it alone" as an independent state, (2) to work out some association with France or the Community, or (3) to join Ghana or a Ghana-Guinea federation. At this stage it is impossible to predict which course the country will follow.

Cameroun, with nearly 4 million people, will become an independent country on January 1, 1960. This large West African state will also face several serious problems including: (1) the nature of its future relationship with British Southern Cameroons, (2) the problem of creating internal unity between the two broadly different populations that inhabit the north and south of the new country, and finally (3) the remaining influence, in the south, of the outlawed, Communist-influenced UPC or Union des populations camerounaises, headed in exile by Dr. Felix Moumié.

Prime Minister Amadou Ahidjo, who recently visited this country to present his country's pleas for independence before the United Nations and subsequently called on President Eisenhower and senior officers of the Department of State, has a great challenge and a great opportunity before him.

The million inhabitants of British Southern

Cameroons, headed by Prime Minister John Foncha, must decide in the next few months whether (1) to join the Nigerian Federation, (2) to remain a United Kingdom trust territory during a transitional period, or (3) to join French Cameroun. A United Nations plebiscite will be held sometime between December and April to decide on these issues. A U.N. plebiscite in Northern British Cameroons will be held in November to determine whether the inhabitants (1) wish to join the Northern Region of Nigeria when Nigeria becomes independent or (2) decide their fate at a later date. It seems probable that this territory will choose the former option.

We have now reviewed the situation in most of what the late Prime Minister Boganda of the Central African Republic used to call "Latin Africa" (he also included the Belgian Congo and Angola in this concept). But what of progress in the British West African territories?

British West Africa

In Nigeria a major effort is being made to reconcile national unity with ethnic pluralism within a federal system. The Nigerian federal constitution devolves substantial power to three regions—Eastern, Western, and Northern—which correspond roughly to three major cultural groups—the Ibo, Yoruba, and Hausa. Paralleling this are three major parties, built around the dominant group in each region—the National Council of Nigeria and the Cameroons (NCNC) in the east, the Action Group (AG) in the west, and the Northern People's Congress (NPC) in the north. Happily, as Nigeria moves toward its fixed independence date of October 1, 1960, it appears that the separatist elements within the nation are inclining to the view that regional interests can be guarded within the federal framework. The immense potentialities of Nigeria, with its 34 million people—the largest single political entity on the African Continent—are obviously a great force for unity within a federal structure.

Sierra Leone, a country of more than 2 million inhabitants, lying midway between Liberia and Guinea, has been making steady progress in self-government in the last year. One major problem facing Sierra Leone is to unify its diverse peoples—the Creoles, or descendants of freed Negroes

from England and the New World and those rescued from slave ships in the early 19th century, who live in the colony of Freetown and the surrounding area, and the tribal peoples of the larger hinterland protectorate. Another major problem is that of reconciling social differences within the country.

Labor in West Africa

Having briefly sketched highlights of the political situation in each of the major political entities of West Africa, let us now turn to a consideration of the West African labor movement, which is also a special target of international Communist activity.

The Communist-controlled World Federation of Trade Unions (WFTU) makes no public claim to affiliates in the area of West Africa—a tacit admission that the Communist label is an actual liability—but this does not mean that there is no Communist activity among workers there. Labor movements are in the forefront of African independence movements, and the Communists find it advantageous to identify themselves with this labor interest not only to break colonial ties but in order to assure themselves of power and influence after independence has been achieved. In addition, and in the interest of long-term as well as short-term objectives, they are actively promoting free tours to Soviet-bloc countries. These tours are especially attractive to workers who have never had an opportunity for travel and the personal prestige that it brings.

Labor-union support of general pan-African goals becomes a source of strength to the unions themselves. An example of this is the situation of the General Federation of Workers of Black Africa (*l'Union generale des travailleurs de l'Afrique noire*), or UGTAN, as it is popularly called. It is to be recalled that, under the leadership of Guinea President Sekou Touré, UGTAN advocated a "no" vote in the referendum on the new French Constitution last September and that this appeal was successful only in Guinea. Now UGTAN is facing a splitting away of its unions in the areas that remained in the French Community. At the same time, however, it is attracting increasing interest in other areas of Africa in view of its purely African character.

The Ghana Trade Union Congress has been able to achieve organizational status and strength from

its unwavering support of the Ghanaian independence movement, although some observers have raised questions about the wisdom of this close association.

Rival Nigerian labor organizations have just merged and formed the Trade Union Congress of Nigeria, which promises to exert an important influence on the development of the policies and programs of the new independent federal state that will emerge in October 1960.

Soviet Bloc Efforts in West Africa

Meanwhile, what of the Soviet bloc's interest and activity in West Africa?

The main objective of the bloc is to diminish Western influence and hamper West African cooperation with the West. To achieve their objectives the Soviets utilize "soft sell" diplomacy, propaganda, trade, offers of technical assistance, credits, and even arms.

To date the Soviet bloc has established diplomatic relations only in Guinea, but a Soviet embassy is about to open in Accra. The Soviets, Czechs, and Bulgarians have opened embassies in Conakry, while the Czechs and East Germans have resident trade missions and the Poles and Hungarians have sent trade missions there. In addition the Czechs have reportedly sent a military training mission to Conakry and recently supplied the country with important shipments of arms.

Soviet-bloc countries have trade agreements pending with Ghana; a Soviet trade mission just left Accra a few weeks ago, and a mining mission was reported there last week.

Although for the present the volume of West African trade with the Soviet bloc is small, it appears that trade between the bloc and the area will increase, particularly if agreements already signed are fully implemented.

And just 2 weeks ago Moscow Radio announced that the number of hours of special Soviet broadcasts in French and English beamed to Africa would be doubled to include two 30-minute and one 60-minute broadcasts daily. This is the second increase in hours of transmission since introduction of the service in April 1958.

In view of the above, you may ask, what are American interests in West Africa and what are we doing to help the area develop?

U.S. Interests in West Africa

American interest in West Africa dates from our earliest history. In 1821 the Congress passed a law authorizing the President of the United States—then James Monroe—to undertake negotiations with the residents of the West African coast to secure land for resettling freed American Negroes. In 1822 the American Colonization Society, which had been founded principally by missionary organizations, sent colonists to an area which the society had been able to purchase through the assistance of the U.S. Navy under direct orders from President Monroe. This settlement, named Monrovia in honor of the President who had done so much to make the project possible, subsequently became the capital when the free and independent Republic of Liberia was proclaimed in 1847.

When one realizes that one-tenth of our national population can trace their ancestry to West Africa, American interest in this area becomes quite basic and natural. In addition, during the last decade almost one-half of all African students studying in the United States have come from West Africa, with Liberia, Ghana, and Nigeria being the main sources.

Finally, the third largest American investment in all of Africa is in Liberia, and our trade with West Africa includes mineral and agricultural imports of considerable importance to the American economy.

United States official interest in West Africa is evidenced in our diplomatic and consular representation, our informational and educational exchange programs, and our various forms of economic and technical assistance in the area.

U.S. Aid to West Africa and Territories of the Area

The United States is committed to providing assistance to the emerging territories of West Africa as the need arises and the assistance is agreeable to all concerned. Presently the United States is providing modest assistance in varying forms to three West African states: Liberia, Ghana, and Nigeria.

In Liberia we have both special and technical assistance programs, have provided Development Loan Fund (DLF) as well as Export-Import Bank loans, and maintain a training mission for the Liberian Frontier Forces and Coast Guard.

We have inaugurated a small technical assist-

ance program in Ghana, particularly in the field of agricultural extension work, have signed voluntary agencies relief and investment guarantee agreements, have provided corn for famine relief, and have assisted with updating of the Volta River Survey Report.

In Nigeria we have launched a technical assistance program, with emphasis in the field of education, and offered a DLF loan.

During the years of our Marshall plan some of our aid to Western European nations was used by the latter for development programs in West Africa. This was particularly true in the French territories.

To help emerging West Africa, the United States Government does all that it can to encourage private American investment in the area. At the moment the Olin Mathieson Company has a 48½ percent interest in the giant FRIA Alumina project in Guinea and the Kaiser interests have signed a \$2.5 million contract with Ghana to begin preliminary work on the Volta River project. These are just two examples of American private investment activity in the area.

The United States obviously must play a role in providing assistance to West Africa, but equally obviously it should not play this role alone, and, as a given country emerges to full self-government, it is our sincere hope that its economic ties with Western Europe will not only be maintained but also broadened by multilateral approaches including a role for the United States.

U.S. Policy in West Africa

American policy toward West Africa is based on a desire for mutual understanding and friendly cooperation.

On the question of federation the United States clearly views with favor political associations of African states. We feel, of course, that such associations should contribute to political stability and economic viability and should be formulated in accordance with the democratically expressed desires of the populations concerned. In the final analysis, however, West African federation is a West African problem and will be solved by the people of this area.

On other basic issues United States policy is equally clear and unequivocal. We believe in the right of self-determination for all peoples. We

agree with Vice President Nixon that "the emergence of a free and independent Africa is as important to us in the long run as it is to the people of that continent."²

We favor an orderly, steady development of African countries to the point where they may join the community of free nations as equal members, able to stand on their own feet. We also maintain that there is a community of interest between Western Europe and Africa that should be maintained, regardless of the nature of political ties. The economies of Western Europe and Africa are complementary, and it would be difficult for one to exist without the other.

The United States is accused by some of its friends in Africa of being anticolonialist and working against the Europeans in Africa. We have also been accused by the Africans of working hand in hand with our NATO allies to repress African freedom. I think, however, that our record is clear and that there is no inconsistency in our policy. We support African political aspirations where they are moderate, nonviolent, and constructive and take into account their obligations to and interdependence with the world community. We also support the principle of continued African ties with Western Europe. We see no reason why there should be a conflict between these two concepts.

Conclusion

As I told members of the House Foreign Affairs Committee a few weeks ago:

I am convinced that the yearning of the peoples of Africa for a better way of life presents us with one of the great challenges of our time. If we fail to respond adequately, we may stand accused as a people who proclaim our own satisfaction with the benefits of freedom and well being but who are insensitive to the yearnings and needs of others.

The United States has always risen to the occasion when the issues and course of action were clear. A responsible West Africa is emerging. We must stand prepared to give it our sympathy and our understanding support in order to assist it to achieve its great potential in a manner which will benefit all concerned and bring us the friendly cooperation we seek.

²For a report to President Eisenhower by Vice President Nixon, see BULLETIN of Apr. 22, 1957, p. 635.

The United States and the Challenge of the Underdeveloped Areas of the World

by Francis O. Wilcox

*Assistant Secretary for International Organization Affairs*¹

I can think of no city more appropriate for a discussion of the underdeveloped countries of the world than Detroit. Your city is a major nerve center of the vast industrial, business, and financial complex of the Middle West. This onetime frontier trading post today has become the Nation's third largest industrial center. It is the world's biggest producer of export products, and the Detroit River carries more tonnage than any other river in the world.

These achievements are making an invaluable contribution to the advancement of the newly developing nations which are struggling to mobilize their own resources. The development of trade between nations, in which Detroit has played so important a part, is, to a large extent, responsible for the exchange of ideas and technical know-how between nations. This exchange has helped to make us great. And the export of our capital and technical know-how, whether it be through trade or foreign aid, is helping the newly developing countries, on whose friendship and cooperation we depend, to make their way. I am convinced that it is one of the most effective ways of helping them to resist the phony premises and harsh pressures of communism.

In the underdeveloped areas of the world live 1,300 million people who are striving to establish or maintain ways of life which successfully combine economic progress with human liberty. The continued survival of the United States as a free

and independent democracy may well depend upon the success of their efforts. As this Nation could not long have survived half slave and half free, so would the failure of these peoples jeopardize our own liberty.

The Challenge of Nationalism

Indeed, I would go so far as to say that the greatest challenge to free men in our time is the yearning of the peoples of Asia, Africa, and Latin America for a better way of life.

Since World War II, 21 new nations and a quarter of the population of the world—more than 700 million people—have emerged into independence and are fired with the spirit of nationalism. They are seeking economic progress, freedom, and democracy. Their average per capita annual income is only \$75.

They are not alone in this deplorable state. Add to them those peoples who gained independence earlier but whose economic status is little or no better. Add to this the further fact that population throughout the world is increasing at a fantastic rate. It may reach as much as 6 billion people by the year 2000. Most of these people will be born in the underdeveloped regions of the world.

We are witnessing a revolution in these poor but populous nations which is no less genuine than our own American Revolution. Peoples who had once been isolated from the main currents of modern Western techniques and economic progress have now become alive to the possibility of progress. They know now that economic and social

¹ Address made before the Wayne State University Conference on the Prospects for Democracy in the Underdeveloped Areas at Detroit, Mich., on May 1 (press release 297).

progress is the prevailing trend, rather than stagnation. Having the political independence for which they have striven, their hopes have been aroused for the alleviation of the poverty, disease, and ignorance which still overshadow their lives. They insistently demand of their governments that these aroused expectations be fulfilled.

To many of these people the need for improvement in their lot is so imperative that they will choose progress through dictatorship if it seems to be the only way. No government can stand for long, unless it promises—and makes good on its promises—the progress its people seek.

Alternatives Before the Underdeveloped Countries

What choice, then, have the governments of the underdeveloped countries? They can pursue the path of authoritarianism: regiment labor, expropriate property, stifle initiative, reduce consumption, and build up their economy from the forced savings of their people. This is the way of communism. Alternatively these governments can pursue the path of freedom. This means that they must build up their capital, at the same time allowing for increased consumption and economic liberties. Since they have such limited resources, they can only achieve these goals with outside aid. That is the crucial element in the formula.

It is precisely here that the challenge of the underdeveloped areas squarely faces the United States and the other economically more advanced nations.

In 1820, Thomas Jefferson wrote:

In an infant country like ours, we must depend for improvements on the science of other countries, longer established, possessing better means, and more advanced than we are. To prohibit us from the benefit of foreign light is to consign us to long darkness.

Our economic progress could not have been as rapid as it was—despite our vast wealth of natural resources—without the skills and capital which Europe furnished our young Republic in such great measure. Are we prepared to deny to others what proved so essential in our own development?

Why United States Assistance?

This is not a purely rhetorical question and should not be given an emotional response. There are many strong and valid reasons why we should

help the underdeveloped areas with our skills and our capital. Let me recall some of these reasons.

First, we cannot continue to progress in the United States with much of the rest of the world standing still. Our needs for raw material and other imports and for export markets make it absolutely essential that we assist stagnant economies to become dynamic. Moreover, history has demonstrated that advanced countries expand their trade with the countries whose economies they help to industrialize.

There is a Danish proverb which says that “you may light another’s candle at your own without loss.” In this case it seems to me the net result of assisting other countries is to make our own economic candlepower stronger and brighter.

Second, our national security clearly depends on a strong defense establishment and a vigorous and productive economy. We are rich in raw-material resources, but we are by no means self-sufficient. At present we import all of our natural rubber and tin, 85 percent of our bauxite and manganese, and 64 percent of our tungsten. In fact, we have to obtain 10 percent of all the raw materials we use from overseas sources. Many of them come from the underdeveloped countries. Our own automobile industry, for example, depends on a wide range of raw materials—nickel from Canada, hides from Argentina, chrome from Rhodesia, mica from India, tin from Malaya, and tungsten from Bolivia.

Third, our entire economy depends on foreign trade to a far greater extent than most of us realize. Today our export trade amounts to about \$20 billion a year. Nearly 5 million of our people are employed in foreign trade. I might also point out that foreign trade is equally important in keeping the free nations strong and united. The principal reason why some of them have not been absorbed into the economic bloc of international communism is their flourishing trade with the United States.

Fourth, foreign aid creates jobs right here in this country. Thus the funds spent under the mutual security program in 1957 resulted in the employment of over a half million people in the United States.

These are but a few of the reasons why I have no patience with the glib label of “giveaway program” as applied to our foreign aid activities.

To me this phrase has a ring about as true as that of a lead nickel.

The great differences in the living standards of the economically advanced countries and the underdeveloped areas provide a fertile soil for envy, distrust, and potential conflict. It is not good for our own national welfare that such great differences should exist. There is considerable discussion of the "widening" of this gap between the developed and underdeveloped countries because of the different rates of their economic progress. I am not, myself, so much concerned about the widening of the gap as I am about the *rate* of progress in the underdeveloped areas. I am concerned over the fact that this progress in many parts of the world is painfully slow. What is needed is a rate of progress which, even if it is less than that of the advanced countries, results in tangible benefits to human welfare and which can, in time, be quickened.

In this connection we must never forget that we are faced with a deep moral challenge. We cannot stand by with a clear conscience while hundreds of millions of our fellow men face daily their endless rounds of poverty, disease, and ignorance. We must assist them in their struggle to clothe their aspirations with reality. We must meet this moral challenge. As Under Secretary for Economic Affairs Douglas Dillon said recently,²

If we fail to respond adequately, we shall stand accused as a people who proclaim our own satisfaction with the benefits of freedom but who are slothful in carrying the spirit of freedom to others around the world.

The Challenge of Sino-Soviet Imperialism

The ideals on which this and other free nations were founded were those which our founders believed would ultimately achieve worldwide acceptance. Today over 1 billion people are now living and progressing under democratic institutions. This is a situation which the Sino-Soviet rulers have found intolerable. They have challenged the free world on every front: military, political, and economic.

The challenge is the most formidable threat that freedom has known. In addition to its scientific and military capabilities, the U.S.S.R. in 40 years, although at a huge cost in human

misery, has grown from an agrarian state to the second industrial nation in the world. It has utilized its increased economic power as a potent political weapon. In its dealings with the newly developing countries the Soviets lose no opportunity to cite their own rapid economic growth as proof to these new nations of an easy shortcut to rapid industrialization. Many of these nations which are attempting to telescope centuries of change into less than one generation are looking for just that sort of shortcut. Therefore, the Soviet experience is not lost on them, particularly when it is followed up with offers of economic and technical assistance.

This Soviet economic offensive has ominous implications. Unhampered by the built-in checks and balances or the pressure of an effective public opinion in free democratic societies, the U.S.S.R. can use its economic power to penetrate and subvert these new states. Already they are attempting to do this on a carefully selected basis.

Since 1954 the Sino-Soviet bloc has conducted an intensive program of economic and military assistance as part of their campaign of subversion and penetration. Up to last year these programs amounted to nearly \$2.4 billion, largely in credits. Of this amount some \$782 million was for arms. In the last 6 months of 1958 approximately 4,000 Sino-Soviet technicians were sent to 17 underdeveloped nations, an increase of 65 percent over the same period in 1957.

In addition some 2,900 technicians and students from the underdeveloped nations have gone to the Sino-Soviet bloc countries for study and training during the past few years. As in the case of Sino-Soviet credits, their technical assistance programs are concentrated in specially selected nations; about 85 percent of the technicians involved are at work in Egypt, Syria, India, Indonesia, and Afghanistan.

Though the Communist rulers speak of "the peaceful competition of socialism and capitalism," we may well ask whether their real motivation is not still the destruction of democracy—as it was with Lenin over 40 years ago. They speak of world capitalism, but they mean the destruction of liberty and democracy as well. They attempt to blacken our motives by referring to us as imperialists. In reality they are the forces of a new and vicious kind of imperialism. We are the forces of liberation: liberation of man from

² BULLETIN of Feb. 2, 1959, p. 165.

ignorance, disease, and poverty, and this under free and democratic institutions.

Answers to the Challenge: U.S. Aid Programs

What is our answer to these challenges? By what means and to what extent are we helping the underdeveloped areas to raise their standards of living? There are, first of all, the activities of our people as private citizens, either as individuals or as groups. Every dollar of productive private investment in these areas helps produce additional income for them and is usually accompanied by an exchange of skills and knowledge as vital to them as is the capital itself. Then there are the many private institutions—the church organizations, the health groups, the charities, the universities, the foundations. Their number is large, and their record of aid is impressive. In talking about what we do as a government we must never lose sight of the fact that our activities as private citizens are part of our first line of defense in the cause of freedom and progress.

The needs of the underdeveloped areas are, however, so great and so pressing that we have also organized to meet them as a government. The best-known of our programs of assistance are those carried out under the mutual security program. President Eisenhower has called the mutual security program a powerful and indispensable tool in dealing with the realities of the second half of the 20th century.³ It is the main vehicle through which we, as a government, have extended military, economic, and technical assistance to the underdeveloped areas. As you know, the President has requested the Congress for \$3.9 billion to carry out this vital aspect of our foreign policy in the next fiscal year.

One may ask whether this massive amount of money is not ample to do the job. The answer is that, standing by itself, the mutual security program is not nearly enough. It has important supplements, both bilateral and multilateral. One supplement is the Export-Import Bank, which, over the last 10 years, has made development loans to underdeveloped countries in excess of \$3 billion. Another important source of aid has been our program of surplus agricultural commodities. By

³ For the President's message to Congress on the mutual security program, see *ibid.*, Mar. 30, 1959, p. 427.

the end of 1958 the United States had made over \$1 billion in development loans and grants of local currency receipts from such sales. The availability of these commodities and the loan or grant of the sales proceeds have been of great help to the economic development of such countries as India, the world's most populous democratic nation.

Most of these programs that I have been discussing are carried out on a bilateral basis—between our Government and a foreign government—and they are essential instruments of our foreign economic policy. But we are simultaneously engaged in a variety of multilateral endeavors to help raise the living standards and preserve the freedom of the underdeveloped areas. The importance and variety of these multilateral programs is not always fully appreciated. I should like to spend some time on them with you.

Before turning to that question, however, we should recognize that there is still some misunderstanding in this country over the necessity for a foreign aid program. In spite of the lessons of the past few years some critics still argue that, unless foreign aid is terminated fairly soon, our country will face serious economic danger. These critics further contend that foreign aid inflates the national economy and that it encourages rather than holds back the spread of communism. Some even call for an end of the foreign aid program.

This is not the time nor the place to refute these misleading arguments. They have been so grossly overstated as to reduce themselves to an absurdity. It appears to me, however, that, if this kind of advice were to be followed, the United States would be taking a shortcut to national suicide. Such a shortsighted policy on our part would deprive the underdeveloped nations of the one chance they have to make that degree of progress which is so essential to their survival as free and independent nations. It would throw them directly into the arms of communism even though it is clear they have a strong dislike for that kind of government.

What we need to do is to determine here and now as a nation that it is in our national interest to continue our foreign aid programs at a substantial rate and over a fairly long period of time. Advance planning in this area is every whit as important as it is in the automobile industry, where blueprints of new models are ordinarily drawn up several years in advance of their production.

Answers to the Challenge: Assistance Through International Organizations

We would all agree, of course, that the United Nations' primary responsibility is the maintenance of international peace and security. Active support of the United Nations as an instrument through which we strive to build a more effective system of law and order among nations is a cornerstone of our foreign policy. It is only natural that we should think of the United Nations first of all as a political instrument of peace. If it should be unable to prevent the holocaust of nuclear war, all the efforts peace-loving countries are making in economic development would be completely futile.

However, the efforts of the United Nations and its specialized agencies in the economic and social fields are laying the foundations for a more lasting peace in the political field. These efforts are carried on with an absence of fanfare. They seldom make the headlines. But, in their persistent efforts to raise the standards of living of peoples throughout the world, they have achieved the greatest degree of international economic and social cooperation the world has ever known.

United Nations Expanded Program of Technical Assistance

That is a broad statement. Let me illustrate it by reference to the United Nations Expanded Program of Technical Assistance, since technical skills are the bedrock of economic development. This program is carried out by the United Nations, its eight specialized agencies, and the new International Atomic Energy Agency.

Since its initiation in 1950 the United Nations Technical Assistance Program has grown steadily to its present great geographical scope. Ninety-six countries and territories are being assisted in some form this year. To these countries will be sent 2,500 expert technicians, and from them will come 2,200 fellowship students for study abroad. The fields of expert assistance and of study by fellows cover virtually every conceivable skill and technique that can contribute to the economic development of these areas. The striking nature of the international cooperation involved is demonstrated by the fact that the experts in 1958 came from 60 different countries and that most countries are both givers and recipients of assistance. India, for example, which had the largest country program, also sent out 82 of its nationals

to work in areas where their particular aptitudes and skills are important.

Again, the broad nature of the cooperation involved is reflected in the fact that the voluntary contributions of some 80 countries support the Expanded Program of Technical Assistance. As the initiator of that program, and consistent with our overall policy, we have taken the leading part in its support. However, its truly multilateral nature may be demonstrated by pointing out that a number of states contribute substantially more per capita than does the United States. These include Denmark, Canada, Norway, Sweden, and the Netherlands. This is a point which is either unknown or else deliberately forgotten by those who complain that we contribute too much to the United Nations.

A New Venture: United Nations Special Fund

From the wide experience gained in the Expanded Program, and the knowledge that countries' needs for technical assistance greatly exceed the resources of that program, has come a new United Nations body, the Special Fund, which came into existence last January.⁴ It is headed by a distinguished American, Mr. Paul Hoffman.

The Special Fund will concentrate on larger projects of technical assistance than the Expanded Program has been able to do. It will also make possible a larger volume of supplies and equipment for each project, although it is not a capital development fund. For example, it can finance a technical survey needed for the development of a Far Eastern harbor. The engineering study thus financed could lead to an investment of capital from some other source to develop the harbor's facilities. Or it may finance a general survey to determine a developing country's power needs and potentialities. Or it may undertake to establish a training institute for industrial instructors. Their teachers could be trained who would, in turn, pass on their knowledge and skills in order that industry may be developed at a quicker pace.

Since it was created in part to facilitate the conditions for new capital investments, the Special Fund is expected to work closely with another United Nations specialized agency, the International Bank for Reconstruction and Development.

⁴ For background, see *ibid.*, Nov. 3, 1958, p. 702, and Feb. 23, 1959, p. 284.

It will also work closely with the other specialized agencies and with other sources, public and private, of potential investment capital. The United States was the initiator of the new Special Fund, and we look forward confidently to its making a significant contribution to the development of the less advanced economies.

International Bank and Monetary Fund

If technical skills are the bedrock of economic development, they obviously must be accompanied by a sufficient volume of capital to produce tangible economic progress. The United States has joined with other countries in establishing two multilateral institutions whose tremendous significance for the economic development and monetary stability of countries has been—outside the Sino-Soviet bloc—universally acclaimed. I refer to the International Bank and the International Monetary Fund.

Even the traditional critics of foreign aid and of the United Nations appear to recognize the important contribution made by these agencies. The International Bank has been an increasingly important source of capital, a mobilizer of private funds, and a source of technical aid. Since 1946 the Bank has made 215 loans to 49 countries and territories. These loans total over \$4 billion. While the early loans of the Bank were for post-war reconstruction in Europe, its emphasis has since been on the less developed areas. Asia is the region with the largest amount of Bank loans: \$1,195 million. Latin America has received \$878 million, and Africa's increasing importance is reflected in total loans of \$518 million.

The total authorized capital of the International Bank amounts to \$10 billion—an immense amount but not so immense either when considered in conjunction with the immense capital needs of the underdeveloped areas. These needs are so great that the Bank has recommended an increase in its authorized capital to \$21 billion. Congress has approved this recommendation and the United States is now prepared to join with other members to make this increase possible.⁵ Our share of the new total authorization would be slightly over \$6 billion.

⁵ For statements in support of legislation authorizing an increase in the U.S. subscription to the Bank and the U.S. quota in the Fund, see *ibid.*, Mar. 30, 1959, p. 445.

But even this is not enough. In a good many cases the Bank has had to turn down applications for loans, not because the development projects involved were without merit but because repayment of the loans in hard currency would have placed undue strain on the borrowing countries. It follows that, if a new institution affiliated with the Bank could make loans repayable in softer currencies, projects such as these might well become feasible. Consequently the United States is actively studying ways in which an International Development Association might operate and has had informal conversations with other governments on this subject. It is essential to the success of such an institution that it receive broad financial support from the industrialized countries which are members of the International Bank. We hope that such support will be forthcoming.

Similarly, the United States is taking an imaginative approach to the needs of the International Monetary Fund for additional resources. The Fund has been an effective instrument for promoting international monetary cooperation and sound foreign exchange practices. It has provided timely assistance to member countries faced with temporary balance of payments difficulties including many of the less developed countries like India, Indonesia, Turkey, and Burma. Very recently Congress acted favorably on President Eisenhower's request for an increase in the United States quota in the Monetary Fund from \$2,750 million to \$4,125 million.

Regional Development Programs

You can see that the United States has taken the initiative with great vigor to increase the ability of multilateral agencies to meet the needs of the underdeveloped areas. This is revealed also in connection with regional development programs and lending agencies. We have just finished negotiating with the countries of Latin America the charter of an inter-American banking institution.⁶ Its purpose will be to provide capital and technical assistance to promote the economic growth of Latin American countries.

Last August President Eisenhower announced to the United Nations General Assembly that we

⁶ For a U.S. statement and the text of a resolution setting up a preparatory committee for the Inter-American Development Bank, see *ibid.*, May 4, 1959, p. 646.

would be prepared to support a development institution for the Arab states.⁷ Among the conditions for our support was that the Arab states agree on the usefulness of such a regional institution and that they be prepared to support it with their own resources. Only time will tell the extent to which the Arab states take advantage of this opportunity.

What I have been discussing with you of our actions to promote the economic growth of the underdeveloped areas through the United Nations and other international organizations is by no means an exhaustive account. It does not include, for example, the important work which the U.N. specialized agencies are doing in virtually every field of human endeavor—agriculture, health, labor, education, and atomic energy, to mention only a few. I hope, however, that I have reminded you of the extent of the multilateral programs through which we pursue our objectives. The records of each United Nations General Assembly, of its Economic and Social Council, and of the governing bodies of the various specialized agencies all underline the importance which members of the United Nations attribute to the crucial problem of raising the standards of living in the poorer areas of the world.

The actions the United States has taken to initiate the Special Fund, to further regional development plans and agencies, to increase the capacities of the International Bank and the Monetary Fund, signalize an increased emphasis on the values of the international approach to the problems of economic development.

Bilateral v. Multilateral Aid: Which Is Better?

I am frequently asked the question, "Why doesn't the United States work more through the United Nations? Why don't we provide more of our foreign aid on a multilateral basis?" I have a particular responsibility in the Department of State for our participation in international organizations. So I suppose there is a natural tendency to expect the reply that we should use multilateral channels exclusively. I have tried to make clear my firm convictions about the usefulness of multilateral instruments of economic development—rather, the necessity of using them to the

fullest possible extent. But I would not go so far as to advocate their exclusive use.

Our bilateral programs have the advantage of being very closely related one to another; the programs of economic aid in the form of defense support, for example, are directly related to our programs of military assistance in such countries as Korea and the Republic of China. Also bilateral programs can be gotten under way with more speed where time is of the essence. Moreover, our especially close ties with some countries, such as the Philippines, would seem to constitute sufficient justification for bilateral arrangements.

On the other side of the fence, the use of multilateral aid channels has its own advantages for the United States. Multilateral aid, by definition, means that other countries bear part of the cost and frequently more than half of it. There would seem to be no real reason why the heavy burden of foreign aid should be placed exclusively on the shoulders of the American taxpayer. Furthermore, the United States has no monopoly of skills, nor have we an unlimited supply of trained men and women ready to go overseas to share their knowledge. The utilization of the great pool of manpower and training resources offered by the United Nations member countries helps speed the pace of peaceful economic development, our basic objective.

An additional advantage is the readiness of countries to benefit from the advice of international organizations in domestically sensitive fields such as fiscal and monetary policy, where advice from a foreign government might be misinterpreted. In these fields governments often find it easier to accept the counsel of an impartial and highly competent international organization than the advice of other governments, no matter how good or well intentioned the latter may be.

I think this whole question of bilateral and multilateral instruments was well summarized by the Secretary-General of the United Nations, Mr. Dag Hammarskjöld, when he spoke on April 7 to the Economic and Social Council of the United Nations.⁸ "I would hope," he said, "that all false dilemmas of multilateral *or* bilateral solutions, solutions inside *or* outside the United Nations, can be avoided. Call it what you may, regional solutions in a multilateral framework, multilateral

⁷ *Ibid.*, Sept. 1, 1958, p. 337.

⁸ U.N. doc. E/L. 819.

approaches based on regional organs, or something else—these are but different ways of indicating elements which will be mixed in every constructive international approach to today's problems.”

In one word, there need be no conflict between bilateral and multilateral aid. Each has proven its value in helping raise the living standards of the underdeveloped areas. Together they constitute a powerful force in enabling those areas to achieve a momentum of economic progress which will make it possible for them to go forward in self-reliant growth.

What More Needs To Be Done?

There are some critics of our aid programs who contend that we are not doing enough. They insist, in view of the serious threat that confronts the free world, that we should redouble our efforts.

Whatever one's view on this point may be, certainly no one should accuse the United States of pinching pennies. In fact many of us may not fully appreciate the extent of our foreign aid during the postwar period. Only a few weeks ago I looked up the latest figures. If we were to add to the Marshall plan and the mutual security program the contributions we have made through the Export-Import Bank, the World Bank, the Monetary Fund, and various other types of assistance, our total foreign aid would run to something like \$72 billion since 1945. This figure serves as clear proof of our deep interest in helping to build a stable and a peaceful world.

It is our clear answer to those who feel that we have the option of assisting or not assisting in the economic development of the underdeveloped areas. We do have that option, but it is about as meaningful as the option between life and death.

Economic progress in the underdeveloped areas will not, I fear, assure the maintenance of freedom and democracy in those areas. But I am absolutely convinced that the absence of economic progress—and by that I mean a sufficient rate of economic growth to meet the aspirations of their peoples—will mortally endanger the survival of their freedom and democracy. Let us then choose, as we must, to assist them in full and generous measure along the road of economic progress.

In making this choice it is pertinent to ask whether there are not ways in which we can make our aid more effective. We may also ask whether

there are things the underdeveloped areas can do to help speed up their economic progress. I think there is room for improvement on both sides.

Speaking about ourselves, may I say just a word about *The Ugly American*. In my judgment this book, by exaggeration and by focusing attention on isolated examples, has belittled the character and capacity of our representatives abroad.

Now obviously most Americans who serve abroad are something less than perfect. No human beings are perfect. Some may not represent this country with the ability and the distinction which you and I would like. Some do not speak foreign languages with any degree of fluency. Some may not adjust very well to the customs and traditions of the people where they are stationed.

The point I wish to make, however, is this: *The Ugly American* has done a gross injustice to thousands of able Americans who have done an outstanding job in foreign lands. Many of them are making real sacrifices for their country. Often they are called upon to work and live in hardship posts where health hazards are constant and where the school facilities for their children are quite inadequate. And in the vast majority of cases they have learned to fit well into a new and strange environment.

Again, this does not mean that we are perfect. Many of our citizens going abroad do indeed lack the language skills which could bring them into a closer understanding of other peoples' ways of life and thinking. This is true of tourists as well as of some of our official representatives. It is a national deficiency, not that of a segment of our population. We in the Government are working hard and effectively to solve our part of this language problem. But the American people—and particularly our schools and universities—will ultimately have to be responsible for its solution.

Moreover, many of us in this country tend to think that our own customs and mores should be embraced by people in other lands. We find it difficult to understand why in India the cow is treated as a sacred animal even though it is very often a great economic burden. Now, the Indians are aware of this problem and are handling it in their own way. We must be tolerant of other

peoples' ways of life, of which this is just one example.

On the side of the underdeveloped areas much more remains to be done in creating the conditions necessary to encourage a freer flow of private capital. Public agencies—bilateral or multi-lateral—cannot do the job of providing sufficient external capital by themselves. The underdeveloped areas have a heavy responsibility to encourage the inflow of private investment under terms equitable to them and the investor. I mention this one example because it is crucial to economic growth in the underdeveloped areas.

Finally, let us recall the awful burden of world armament expenditures and the great opportunities for development activities if this burden could be lifted from our shoulders. In the next 10 years the nations of the world may well spend in excess of \$1,000 billion on armaments. What could we not accomplish if some of these expenditures could be used for more constructive purposes? On our part we have told the world that, when sufficient progress has been made toward internationally supervised disarmament, the United States Government stands ready to ask its people to join with others in devoting a portion of the savings from such disarmament to a multi-lateral development fund. Somehow the nations of the world must find a way to divert their wealth from arms to economic and social development—their own and that of their less developed neighbors.

The road ahead is not an easy or short one—least of all for the peoples and governments of the underdeveloped areas; but as their courage, determination, and willingness to sacrifice are great, so must be our faith in their ultimate triumph. We have no choice but to dedicate ourselves, as they dedicate themselves, to the maintenance of free and democratic institutions under conditions of economic progress.

As Tom Paine said almost 2 centuries ago: "Those who expect to reap the blessings of freedom must, like men, undergo the fatigue of supporting it."

Congressional Documents Relating to Foreign Policy

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Scope of Soviet Activity in the United States. Hearings before the Subcommittee To Investigate the Administration of the Internal Security Act and Other Internal Security Laws. Part 90—United Nations Reports and Documents Dealing With the Hungarian Revolt. 522 pp.

86th Congress, 1st Session

Foreign Agricultural Operations Review. Hearing before the Subcommittee on Foreign Agricultural Operations. Serial B. February 2, 1959. 44 pp.

Disarmament and Foreign Policy—Part 2. Hearings before the Subcommittee of the Senate Foreign Relations Committee. February 4-26, 1959. 480 pp.

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Major Defense Matters—Part 1. Hearings before the Preparedness Investigating Subcommittee of the Senate Armed Services Committee on major defense matters, with emphasis on the fiscal year 1960 military budget and the Berlin situation. March 11-13, 1959. 203 pp.

Mutual Security Act of 1959. Hearings before the House Foreign Affairs Committee on draft legislation to amend further the Mutual Security Act of 1954, as amended, and for other purposes. March 16-25, 1959. 279 pp.

Preliminary Report and Letter of Transmittal of the President's Committee To Study the United States Military Assistance Program. S. Doc. 18. March 23, 1959. 8 pp.

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Defense Department Overseas Teachers Pay and Personnel Practices Act. Report to accompany S. 96. S. Rept. 141. March 24, 1959. 9 pp.

Discontinuance of Certain Reports Now Required by Law. Report to accompany S. 899. S. Rept. 146. March 25, 1959. 32 pp.

Appropriation for III Pan-American Games, Chicago, Ill. Report to accompany H.R. 2575. S. Rept. 152. March 25, 1959. 2 pp.

The Challenge of Soviet Economic Expansion

by Under Secretary Dillon¹

I can think of no more appropriate place to discuss the challenge of Soviet economic expansion than the Overseas Press Club. Many of your members have been eye witnesses to an industrial growth which is adding a new dimension to the Soviet Union's massive challenge to the free world. Inevitably, some of you have been attacked in the Communist press because you sought out the full meaning of mounting Communist economic strength and interpreted it for your readers and listeners. As Under Secretary of State for Economic Affairs I have been carefully studying its implications and reporting them to the American people. In the process, I, too, have drawn some sharp attacks from Soviet leaders and the Communist press.

The last time I reported to the American people in some detail on the realities of Soviet economic policy, I apparently stepped on some sensitive Communist toes. That was just after the visit to this country of Soviet Deputy Premier Mikoyan. Those of you who talked with him will recall that he painted a glowing picture of supposedly vast trade possibilities between this country and the U.S.S.R. I used the occasion of a speech in New Orleans² to explain why an expansion of trade on Soviet terms—meaning long-term credits from us—would be unacceptable to this country. Upon his return to Moscow, Mr. Mikoyan informed the 21st Soviet Party Congress that I was “fanning up the cold war.” Communist newspapers have since echoed this line.

Accusing selected personalities and target

groups in the West of “waging cold war” on the “peace-loving” Soviet Union is typical of Communist tactics. Whatever conflicts with Communist designs is smeared with the brush of the Soviet-created “cold war.” Communist actions, on the other hand, are almost invariably ballyhooed as furthering the Soviet objective of “peaceful coexistence.”

As professional communicators you are only too familiar with the problem of semantics when it comes to interpreting Communist intentions and actions. Just how peaceful is “peaceful coexistence”? If Berlin, the Middle East, and the Formosa Straits were not enough to tell us, we have the word of a former Soviet Foreign Minister, who said:

Peaceful coexistence does not mean a quiet life. As long as different social and political systems exist, contradictions between them are inevitable. Peaceful coexistence is a struggle—a political struggle, an economic struggle, an ideological struggle.

All these elements of the “struggle” are, of course, bent unceasingly to the overriding Communist objective of world domination. This afternoon, I want to explore briefly with you its economic aspects.

Soviet 7-Year Plan

That economics is coming to play an ever more prominent role in the struggle was made crystal clear in the recently announced goals of Soviet Russia's 7-year plan. We should not make the mistake of giving the plan less than our most serious attention. This is not just an economic document. It is a political and psychological document as well. The fanfare with which the

¹Address made before the Overseas Press Club of America at New York, N.Y., on May 7 (press release 308).

²BULLETIN of Feb. 16, 1959, p. 237.

7-year plan was acclaimed at the 21st Party Congress and during last week's May Day observance makes it clear that the Communist leaders regard it as a major weapon of foreign policy.

According to the Soviet leaders, the basic objective of the 7-year plan is "the maximum gain in time in the peaceful competition between socialism and capitalism."

The Soviet Union has already made substantial strides in this competition. This is borne out by cold, hard facts. Our best estimates of Soviet domestic economic expansion place the average annual rate of growth of the Soviet economy as a whole at between 6 and 7 percent over the past 8 years. Their industrial growth rate has averaged between 8 and 9 percent during this time. Over the same period our own average annual increase, both in gross national product and in industrial production, has been about 3 percent. In 1957 we estimate the Soviet gross national product to have been about \$175 billion—roughly 40 percent of our own. Soviet gross industrial production in the same year was about \$65 billion, also roughly 40 percent of ours.

The methods employed by Soviet leaders to raise their economy from the relative backwardness of postrevolutionary days to its present level were starkly and terrifyingly simple: They brutally squeezed an overwhelmingly agrarian population to provide the state with the resources for an unprecedentedly high rate of investment which was concentrated in heavy industry. The ruthlessness with which this was accomplished was made possible only by reshaping Soviet society into a totalitarian mold. The state owns all land and the means of production, and controls the labor force. State planning supplants market forces based on demands of the consumer, whose interests are completely subjugated to the achievement of Communist goals. The real power behind the state is the militant, elite Communist Party, which wields the levers of power.

The unveiling of the Soviet 7-year plan has made it clear that the future economic development of the Soviet Union will continue along the same lines. The consumer will continue to be shortchanged in favor of high investment in heavy industry. The goals proclaimed by Soviet leaders envisage the increase of industrial output by 80 percent by 1965. Annual steel production is to be pushed close to 90 million tons by the end of

the plan, an increase, if accomplished, of some 35 million tons. Corresponding increases are planned for other selected industries which spell national power. While these goals represent a slight decrease from recent annual growth rates, the projected expansion nevertheless is very impressive.

When they proclaimed their newest plan, the Soviet leaders tied its goals to the slogan of "overtaking and surpassing" the United States. This goal, which is as old as the Soviet state, is now being dinned into the Soviet people day and night by every technique known to mass indoctrination.

It is not my purpose to indulge in a numbers game here today. I will simply state that there is no possibility of the Soviet Union outstripping the United States in industrial production by 1970; and as for outstripping us in per capita production by the same date, this is nothing but a political smokescreen designed to hide from the Soviet consumer the way in which he is being shortchanged. But it is undeniable that the Soviet economy has been growing at a faster rate than our own in recent years. There is also no doubt that, if we project our own growth at the level of present performance, the Soviets will continue to make substantial gains in their self-proclaimed economic race with us.

This is a sobering thought. To begin to appreciate its implications one need only speculate on the nature of a world in which the Soviet Union *had actually achieved* economic predominance. One could bring this thought one step closer and speculate on changes which might be brought about in the world if the Soviets succeeded in catching up significantly on our lead and the mere *belief* were to become widespread that the U.S.S.R. would surpass us by a certain future date.

The answer is simple and within our power. We must find ways of substantially increasing our rate of economic growth, while at the same time avoiding the perils of inflation.

Implications of Soviet Economic Expansion

As experts in information techniques you will readily appreciate that the impact of continuing Soviet economic expansion is not only military, political, and economic but profoundly psychological as well. Let us briefly examine some of its major international implications:

First, and most obviously, the achievement of planned Soviet goals would result in a further expansion of the economic base of Soviet military power. Already, despite the fact that Soviet output is only 40 percent of our own, Soviet military expenditures on an absolute basis would appear to be at least as large as ours. The Soviet system's ability to ruthlessly mobilize available resources for national policy purposes insures that as the Soviet productive base increases so will the magnitude of the Soviet military threat, enabling Communist leaders to pursue more aggressive foreign policies.

Second, Soviet economic success is of vital importance to international communism in projecting an image of the Soviet system as the magic blueprint for the achievement of rapid progress by the less developed countries of Asia, Africa, the Middle East, and Latin America. We should not underestimate the appeal which such an image may have on men of influence in the underdeveloped countries who are desperately seeking to lead their people into the 20th century.

Actually, the Soviet experience is not a good example for the underdeveloped countries. Conditions in Soviet Russia 40 years ago were quite different from those in most of the underdeveloped countries today. Prerevolutionary Russia, although a backward country in many respects by Western standards, had already achieved a rapid rate of economic growth. It ranked fifth among the industrialized countries of the world and had definitely passed the "takeoff" point to self-sustained growth. It had a small but highly competent corps of administrators, scientists, and technicians. The ratio of available resources to population was relatively high. The Soviet Union never has faced the most pressing problem of many of the present underdeveloped countries: the crushing burden of an exploding population.

However, despite the inapplicability of the Soviet experience to their own problems, the less developed countries cannot help but be profoundly affected by the example of purposeful and dramatic increases in output achieved under communism. In some of these countries highly organized Communist parties and their front organizations work unceasingly to prey upon this susceptibility. The 7-year plan is a major weapon in their propaganda arsenal.

Finally, increased Soviet economic capacity will

enable the Communists to expand and extend their efforts to penetrate the underdeveloped areas through trade and aid. As one Soviet writer put it, the current economic offensive is "a new form of the economic competition between the two systems, but one which takes place in the territories of countries having a majority of the human race." In other words the Soviet economic offensive is a means of carrying the struggle against us in its economic aspects to the most vulnerable sector of the free world. The ultimate objective of Soviet leaders continues to be the downfall of the West. Blocked, however, by the unity and the continuing political, economic, and social health of the more industrialized Western countries, the Soviet leaders calculate that the underdeveloped nations offer the best opportunities for eventual takeover.

Soviet Aid and Trade Drives

The Soviet Union launched its aid and trade drives in the newly emerging areas in 1954 as part of a general campaign to establish the Soviet "presence" in the most vulnerable target countries. Since then the Soviet Union has extended some \$2½ billion in military and economic development credits—\$1 billion during last year alone. The number of Soviet technicians in these countries has increased to 4,000. Soviet trade with them has doubled since the beginning of the offensive.

The techniques employed by the Soviets include low interest rates, repayment of loans in commodities, construction of projects which have a high visual and psychological impact, speedy negotiation of agreements, long-term trade commitments, and incessant propaganda in which domestic Communists and "fronts" play a crucial role. By these devices Moscow seeks to hammer home to the peoples of the underdeveloped areas the cynical theme that the Soviet Union not only possesses a supposedly superior economic system but is the "selfless friend" of newly developing peoples and stands ready to extend economic and military assistance "without strings."

Once a country becomes dependent upon the Soviet Union for a large share of its trade or of its development program, the "strings" become very apparent and are manipulated to serve Communist ends. The Soviets do not hesitate to employ blackmail and pressure by deliberately turn-

ing off their trade or canceling their development projects. Any nation which permits its economy to become heavily dependent on the Soviet Union soon finds that it has a very truculent bear by the tail.

Soviet short-term objectives in the underdeveloped countries can be summed up as a drive for "identification" with popular aspirations and the more militant nationalist forces—so long as they are not opposed to Soviet objectives. This drive is accompanied by opportunistic Communist agitation calculated to inflame local passions, exploit latent tensions between these countries and the more advanced nations of the West, and to maintain a continuing situation of crisis. Economic arms are only part of their arsenal, which includes military, political, diplomatic, cultural, and propaganda weapons. Communist penetration of the Middle East, for example—of which Iraq is the most recent and most dramatic illustration—was not achieved by economic weapons alone. But the use of economic weapons on a large scale is an indispensable element of this concerted effort in an area which is deeply concerned with economic advancement.

Identification is only the short-term objective. Communist leaders have made no secret of the fact that the purpose of identification is to strengthen Communist forces operating within the target countries. To employ Communist jargon, the "national liberation movements"—the Communist term for the nationalist groups in the less developed countries—will undergo a "two stage" revolution. Once a strong foothold has been secured through agitation of antiwesternism and hypocritical support of deep-seated nationalist aspirations, and once conditions are judged to be ripe in a given country, the native Communists will inaugurate the second stage by openly challenging the leadership of local nationalist forces on domestic issues. This is a classic example of Leninist strategy: using nationalism to oust Western influences and then eliminating the nationalists.

There is increasing evidence in the public pronouncements of Soviet leaders that Communist strategy is now directed at emphasizing Communist-inspired domestic programs in underdeveloped areas in an effort to enhance the role and prestige of Communist groups in these countries. This strategy also involves attacks on na-

tionalist forces by the local Communists as they attempt to seize power for themselves.

U.S. Economic Relations With Soviets

These, then, are the main elements of the Soviet economic offensive. I turn now to the posture which the United States should assume in meeting this mounting challenge. What should be the character of our own economic relations with this growing power, whose leaders are holding out such golden prospects of expanded trade with us?

First, let me state unequivocally that the United States would welcome an expansion of peaceful, two-way trade with the Soviet Union. President Eisenhower made this clear in his reply to Soviet Premier Khrushchev's well-publicized letter proposing a grandiose increase in trade between our two countries.³ During his "unofficial" visit to this country earlier this year, I gave Mr. Mikoyan similar assurances—as did every American official with whom he spoke.

We welcome peaceful trade, despite the fact that the Soviet Union ceased being a normal trading partner in 1918 when the Communist leaders decreed a state monopoly of all foreign trade as indispensable to the totalitarian economic system they were developing. This monopoly was designed to isolate the Soviet economy from the free world market system, while permitting it to tap the West for advanced capital equipment and technology which in the thirties played a key role in the forced-draft industrialization of the closed and autarkic Soviet economy. This state monopoly has now embarked on a major campaign in the advanced industrialized countries to obtain the latest technology and capital equipment for both productive and prototyping purposes. The intent of the drive is to gain years in the accomplishment of certain key industry goals such as those of the chemical industry under the 7-year plan.

We welcome peaceful trade because it has always been the purpose of your Government to promote this country's foreign commerce and because we sincerely believe that trade is mutually beneficial. But we are not sanguine as to the prospects for the expansion of *satisfactory* and

³ For the exchange of correspondence, see *ibid.*, Aug. 4, 1958, p. 200.

continuing trade relations. The major obstacles to these are inherent in the Soviet philosophy and organization for trade.

We have only to recall the experience of the thirties: Once the purposes of the Soviet procurement campaign were achieved, their imports from the West dropped from some 3.8 billion rubles in 1931 to 841 million rubles in 1935. Our own sales to the Soviet Union plummeted from around \$100 million in 1931 to \$12 million in 1932. The Soviet Union in its trade with the West is today motivated by the same autarkic considerations as in the thirties. This is borne out most forcefully by the fact that the second-ranking industrial power of the world exports to the West at about the level of Denmark—roughly \$1 billion a year—and that these exports are more characteristic of those you would expect from an underdeveloped or semideveloped country than from an industrial giant.

Soviet exports are, in the main, bulk primary products and semifinished goods which permit the state trading monopoly to raise the foreign exchange to pay for imports with the least possible dependence on the world market. The price-cutting tactics to which the Soviet state trade monopoly has resorted, in order to fulfill its export plans in such cases as tin and aluminum, have already proved injurious to such traditional free-world exporters as Bolivia, Malaya, Indonesia, and Canada. The monopoly's use of barter techniques also tends to disrupt established trade channels for the movement of basic commodities upon which friendly underdeveloped countries of the free world are so dependent.

Furthermore, both Premier Khrushchev and Mr. Mikoyan have frankly said that an expansion of Soviet imports in the next several years is predicated upon the extent to which the West can be persuaded to finance Soviet purchases.

Do the Soviet leaders actually expect us to finance the growth of the industrial machine of a hostile Communist Party whose leader has threatened to "bury us"?

Meeting the Challenge in Underdeveloped Areas

Now, as to the underdeveloped areas. In considering the complex task of meeting the Soviet challenge in these countries we should never lose sight of the fact that the accomplishment of Communist designs will depend much less upon the

volume of Soviet aid and trade than upon the political and economic health of the newly developing countries and of the entire free world. This is fundamental.

Experience has taught us that Communist power will flow wherever there is real or apparent weakness. Our answer to the Soviet challenge must be to help the peoples of the newly developing nations to realize their potential for economic progress under free institutions. We must be steadfast in our purpose of building a sound and expanding free-world economy, in which these countries will find their greatest opportunities for advancement. We seek to achieve this goal in two ways: through international economic and financial institutions and programs in which all free-world countries collaborate, and through our own programs, principally those conducted under the mutual security program and the Reciprocal Trade Agreements Act.

In pursuing these twin paths to our goal, we must:

1. Continue, without any interruption for lack of adequate resources, the vigorous operations of our own new Development Loan Fund, which provides a flexible source of financing and a very special hope to the less developed nations in building the basic and productive facilities needed for economic growth.

2. Continue our program of military assistance and defense support to provide a shield of security from outside aggression and internal subversion behind which the governments of the newly developing countries can work at the primary task of improving the well-being of their peoples.

3. Continue to work with the International Bank for Reconstruction and Development and the International Monetary Fund, which are now expanding their resources. These institutions have come to occupy a key position in the structure of free-world economic cooperation by mobilizing the resources of many countries for the purpose of sound economic development and protection against serious temporary drains on foreign exchange.

4. Continue the active and time-tested lending operations of the Export-Import Bank.

5. Intensify our participation in programs of technical cooperation, to help provide the basic

management and technical skills which are lacking in all of the underdeveloped countries.

6. Take a leading part in reducing barriers to world trade through our own example and through such multilateral instruments as the General Agreement on Tariffs and Trade.

7. Continue to extend sympathetic and open-minded consideration to the problems which the less developed nations face as a result of price fluctuations in their raw material exports. Such price fluctuations can, and have, wiped out many of the benefits to the less developed countries from Western economic assistance.

8. Promote and strengthen collaboration between government and private enterprise in order to put the unmatched financial and management resources of American private business to work on a mutually profitable basis in the newly emerging nations.

Finally, I cannot emphasize too strongly that our own economic health and growth is the single most important element in our posture vis-a-vis Communist economic expansion.

We can and *must* find ways to increase our own economic progress. The present rate of growth in our economy is simply not good enough. We must devote our very best brains to finding ways of stimulating growth while maintaining the basic stability and value of our currency. Unless we do so in a more purposeful fashion, we shall weaken our capacity to provide the leadership which the free world so urgently expects of us.

By accelerating our domestic growth we shall make important strides toward meeting the Soviet challenge in the underdeveloped and largely uncommitted nations. Because of our intimate links with them, American economic growth will inevitably react favorably on their development. Unlike the effects of Soviet expansion, the benefits of our growth and prosperity are transmitted through normal trade and private capital channels to all nations which participate with us in the free-world multilateral economic system.

The example of purposeful economic growth under free institutions will also have a far-reaching political and psychological effect abroad. It will serve to deflate the Soviet line that communism represents the "wave of the future." Most importantly it will demonstrate to the peoples of the newly emerging nations that their aspirations can best be achieved in a free society.

What, after all, is our national purpose in promoting increased trade, in expanding private American investment abroad, in extending technical and financial assistance through our mutual security program?

It is a broad purpose and is not solely confined to furthering economic development as such. For productive capacity and technological skills do not of themselves bring about the full development of a free civilization in which the individual can realize his potential for spiritual growth. We need only recall that Soviet Russia, Communist China, and other bloc nations possess these material assets in varying degrees.

Our interest lies also in the development of free political institutions, of respect for law, of regard for human decency. We seek to accomplish this by helping the new nations to advance toward modern economic and political status while, at the same time, maintaining their independence and assuring the possibility of an evolution which safeguards the liberty of the individual.

In this way, we move closer to our national goal of living prosperously among friendly nations in a world ruled by law where men can live in peace with justice.

President Expresses Concern Over Flood Damage in Uruguay

Following is the text of a message from President Eisenhower to Martin R. Echegoyen, President of the Oriental Republic of Uruguay.

White House press release dated May 5

MAY 4, 1959

DEAR MR. PRESIDENT: The American people join me in expressing to you and the entire Uruguayan nation our sympathetic concern over the tragic losses resulting from the calamitous floods in your country. We hope that the relief operations, in which we have been glad to participate, have already helped to alleviate the distress caused by this disaster and that the unfortunate people affected by the floods will soon be able to reestablish their homes and regain their livelihood.

Sincerely,

DWIGHT D. EISENHOWER

Department of State Bulletin

Civil Aircraft and Equipment Removed From Munitions List

Press release 309 dated May 7

Beginning June 1, 1959, civil aircraft and civil aviation equipment will be removed from the United States Munitions List administered by the State Department and will be licensed for export by the Department of Commerce, the two Departments announced jointly on May 7.¹ These commodities will be licensed for export by the Commerce Department's Bureau of Foreign Commerce. Military aircraft and equipment will remain under the licensing authority of the Department of State.

Unclassified technical data pertaining to civil aircraft commodities also will be subject to BFC's export-control regulations starting June 1, 1959. Control over exports of classified technical data relating to these commodities as well as unclassified technical data relating to military aircraft and accessories will continue to be administered by the Department of State.

BFC said that, although requirements concerning air cargo shipments remain unchanged, a number of revisions have been made in its export-control regulations to permit regular operation of international commercial flights. For example, general license provisions which permit certain exports to friendly countries without prior clearance from BFC have been revised to include aircraft on regularly scheduled commercial flights. Other aircraft may depart from the United States for friendly destinations after filing a certificate with the U.S. Collector of Customs.

Equipment and spare parts for repair, operation, or maintenance of aircraft owned or operated by a U.S. or Canadian registered airline also may be exported without prior application to BFC. Another general license permits aircraft registered in other friendly foreign countries to take on supplies, equipment, and spare parts required for normal operation of the plane. In addition, with the exception of aircraft obtained under the U.S. foreign excess property disposal program, no license will be required to import civil aircraft, components, and related equipment.

Except for the general license provisions which permit exports without prior application to BFC, all civil aircraft, components, and related equip-

ment will require validated licenses from Commerce for shipment to any destination except Canada. Outstanding export licenses issued by the Department of State covering civil aircraft and related commodities or technical data applying to these commodities will remain valid until their date of expiration.

The change in export licensing authority applies to all aircraft and related equipment not included on the State Department's recently revised U.S. Munitions List.² A definition and list of the aeronautical equipment and related commodities to be licensed by BFC together with an explanation of applicable BFC export-control regulations, as well as the revised list of military aircraft and electronic equipment remaining under the export licensing authority of the Department of State, are contained in BFC's Current Export Bulletin 814, dated May 7, 1959. The bulletin may be obtained from the Office of Administrative Operations, U.S. Department of Commerce, Washington 25, D.C., or any of the Department of Commerce field offices, at 25 cents a copy.

Exporters, common carriers, and private operators of civil aircraft are cautioned to consult the new regulations before sending or taking the commodities or technical data relating to these commodities out of the United States.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

14th Session of GATT To Discuss International Trade Policy

Press release 319 dated May 9 for release May 10

Important issues of international trade policy will confront the 37 countries that are signatory to the General Agreement on Tariffs and Trade (GATT) when they convene at Geneva on May 11 for their 14th General Session. W. T. M. Beale, Deputy Assistant Secretary of State for Economic Affairs, will be chairman of the U.S. delegation to the session. Bradley Fisk, Deputy Assistant Secretary of Commerce for International Affairs, will serve as vice chairman.

¹For amendments to subchapter M of title 22 of the Code of Federal Regulations, see 24 *Fed. Reg.* 3721.

²BULLETIN of Dec. 15, 1958, p. 970.

Among the major issues requiring action is the U.S. proposal that the Contracting Parties undertake another general round of tariff negotiations in 1960. After this proposal was submitted by Under Secretary of State Douglas Dillon at the 13th session, a committee was appointed to meet during the intersessional period and to prepare recommendations on sponsorship, scope, site, and negotiating rules.¹ The Contracting Parties will consider the committee's recommendations at this session.

The steady improvement in Western Europe's payments position in recent years has raised certain issues for the Contracting Parties. The GATT specifies that with certain exceptions quantitative restrictions should be used to curtail imports only when required to safeguard a country's foreign exchange reserves by bringing payments back into balance with receipts. In 1957 the International Monetary Fund found that the German Federal Republic was no longer in balance-of-payments difficulties, and, according to the provisions of the GATT, this meant that Germany would have to dismantle most of its quantitative controls. The Germans have made some progress in getting rid of some quantitative restrictions, but their continued maintenance of others has raised important issues of conformity with GATT principles. The German question will again be considered by the Contracting Parties at this session.

Other important issues before the Contracting Parties include the report of a second intersessional committee that has been studying ways of expanding international trade in agricultural commodities. The report of this committee will recommend that individual contracting parties consult with a committee in regard to the agricultural restrictions that they are imposing, in much the same way as they now consult on quantitative restrictions. In this way the committee hopes to delineate the problems and to point the way to a reduction of restrictions.

A third intersessional committee, charged with responsibility for recommending ways to expand international trade with particular reference to the exports of less developed countries, will submit its work program to the Contracting Parties.

¹ For a statement by Mr. Dillon at the 13th session, see BULLETIN of Nov. 10, 1958, p. 742; for a report of the U.S. delegation, see *ibid.*, Dec. 8, 1958, p. 930.

The request of Yugoslavia to participate in the work of the Contracting Parties on an associate basis will also come up at the 14th session. While not prepared to assume the full obligations of a contracting party to the GATT, the Yugoslavs would like to bring their trade and their commercial procedures more closely into line with those of the other GATT signatories and are seeking to do so through a form of associate participation.

In addition the session will deal with a number of other matters including actions taken by certain Latin American countries to supplement their effective tariff rates by the imposition of surcharges, the application of Israel for accession to the GATT, further consideration of the impact of the overseas territories provisions of the Rome Treaty on the trade of third countries, a number of complaints by governments against specific actions taken by other governments, and various proposals for improving procedures.

The members of the U.S. delegation to the 14th session of the GATT include:

Chairman

W. T. M. Beale, Deputy Assistant Secretary of State for Economic Affairs

Vice Chairman

Bradley Fisk, Deputy Assistant Secretary of Commerce for International Affairs

Alternate Vice Chairman

Alfred Reifman, assistant chief, Commercial Policy and Treaties Division, Office of International Trade, Department of State

Advisers

Myron L. Black, officer-in-charge, Economic Organization Affairs, Office of European Regional Affairs, Department of State

Walter Buchdahl, chief, Benelux Section, European Division, Bureau of Foreign Commerce, Department of Commerce

Morris J. Fields, chief, Commercial Policy and United Nations Division, Office of International Finance, Treasury Department

Earl S. Fox, Trade Policy Division, Foreign Agricultural Service, Department of Agriculture

C. Edward Galbreath, Executive Office of the President
Robert L. Gastineau, director, Trade Policy Division, Foreign Agricultural Service, Department of Agriculture

Mortimer D. Goldstein, assistant chief, International Finance Division, Office of International Financial and Development Affairs, Department of State

Joseph A. Greenwald, first secretary, American Embassy, London

Walter Hollis, attorney, Office of the Legal Adviser, Department of State

Eugene Kaplan, assistant director, British Commonwealth Division, Bureau of Foreign Commerce, Department of Commerce

Leonard R. Linsenmayer, associate director, Office of International Labor Affairs, Department of Labor

Bernard Norwood, economic officer, U.S. Mission to the European Communities, Brussels

Margaret H. Potter, economic officer, U.S. Resident Delegation, Geneva

Murray Ryss, international economist, Commercial Policy and Treaties Division, Department of State

Harry M. Shooshan, international activities assistant, Technical Review Staff, Department of the Interior

David E. Westley, international economist, Far Eastern Division, Bureau of Foreign Commerce, Department of Commerce.

United States Delegations to International Conferences

U.N. Committee on Peaceful Uses of Outer Space

The Department of State announced on May 4 (press release 303) the appointment of the following U.S. representation to the United Nations *Ad Hoc* Committee on the Peaceful Uses of Outer Space, which will convene on May 6, 1959, at the United Nations Headquarters in New York:

U.S. Representatives

Henry Cabot Lodge, U.S. Representative to the United Nations

James W. Barco, Minister-Counselor of the U.S. Mission to the United Nations, *Alternate Representative*

Loftus E. Becker, Legal Adviser, Department of State, *Alternate Representative*

Hugh L. Dryden, Deputy Administrator, National Aeronautics and Space Administration, *Alternate Representative*

Congressional Advisers

Senator Thomas J. Dodd

Senator Thomas E. Martin

Representative Overton Brooks

Representative Joseph W. Martin

Advisers

Larkin H. Farinholt, Deputy Science Adviser, Department of State

George J. Feldman, Consultant to the Legal Adviser, Department of State

Wreatham E. Gathright, Department of State

Stanley I. Grand, Department of State

Leonard O. Meeker, Department of State

Homer E. Newell, Jr., Assistant Director for Space Science, National Aeronautics and Space Administration

Alan H. Shapley, member of the Space Science Board, National Academy of Sciences

Peter S. Thacher, U.S. Mission to the United Nations.

12th World Health Assembly

The Department of State announced on May 7 (press release 314) that the President on May 5 designated Leroy E. Burney, Surgeon General, Public Health Service, Department of Health, Education, and Welfare, as chairman of the U.S. delegation to the 12th World Health Assembly, which will convene at Geneva on May 12. Dr. Burney was President of the 11th World Health Assembly and will preside over the opening of the 12th Assembly until a successor is elected.

The President has also designated Horace E. Henderson, Deputy Assistant Secretary of State for International Organization Affairs, and Leonard W. Larson, chairman, Board of Trustees, American Medical Association, to serve as delegates with Dr. Burney.

The following have been named alternate delegates, congressional advisers, and advisers to the delegation:

Alternate Delegates

Lowell T. Coggeshall, M.D., dean, Division of Biological Sciences, University of Chicago

David H. Popper, Deputy U.S. Representative at the European Office of the United Nations and Other International Organizations, American Consulate General, Geneva

Alms C. McGuinness, M.D., Special Assistant for Health and Medical Affairs, Department of Health, Education, and Welfare

Congressional Advisers

John E. Fogarty, House of Representatives

Melvin R. Laird, House of Representatives

Advisers

Guillermo Arbona, M.D., Secretary of Health, Puerto Rico Department of Health

H. M. Bosch, School of Public Health, University of Minnesota

George W. Dana, M.D., Medical Director, North Shore Hospital, Manhasset, Long Island, N.Y.

Horace DeLien, M.D., chief, Division of International Health, Bureau of State Services, U.S. Public Health Service, Department of Health, Education, and Welfare

D. G. Gill, M.D., president, Association of State and Territorial Health Officers; State Health Officer, Alabama State Department of Health

Alfred Puhon, Office of International Administration, Department of State

James A. Shannon, M.D., director, National Institutes of Health, U.S. Public Health Service, Department of Health, Education, and Welfare

Capt. Howard Sessions, USN, Bureau of Medicine and Surgery, Department of the Navy

Charles Williams, M.D., deputy chief, Public Health Division, International Cooperation Administration

Laurence Wyatt, Office of International Economic and Social Affairs, Department of State

Robert Yoho, M.D., director, Health Education, Records, and Statistics, Indiana State Board of Health

Members of the Staff

John C. Griffith, American Embassy, Bern

Marvin Butterman, Geneva, Switzerland

Agnes Duer Escavaille, Geneva, Switzerland

Arleen Giglio, Geneva, Switzerland

Ethel Sempser, U.S. Public Health Service, Paris, France

This year's meeting will review the report of the Director General on the work of WHO in 1958, elect member states entitled to designate persons to serve on the executive board, present the Darling Foundation Medal and Prize (scientific contribution for the control of malaria), approve reports of the main committees, and review and determine the budget and programs of the Organization for 1960.

Current U.N. Documents: A Selected Bibliography¹

Security Council

Letter Dated 7 February 1959 From the Permanent Representative of the United Arab Republic Addressed to the Secretary-General Concerning the Decision Adopted on 7 February 1959 by the Egyptian-Israel Mixed Armistice Commission. S/4160. February 9, 1959. 3 pp. mimeo.

Letter Dated 23 February 1959 From the Permanent Representative of France Addressed to the President of the Security Council Concerning Tunisia. S/4166. February 24, 1959. 2 pp. mimeo.

Letter Dated 23 February 1959 From the Permanent Representative of the United Arab Republic Addressed to the Secretary-General Concerning the Decision Adopted on 21 February 1959 by the Egyptian-Israel Mixed Armistice Commission. S/4167. February 24, 1959. 3 pp. mimeo.

Letter Dated 4 March 1959 From the Permanent Representative of India Addressed to the President of the Security Council Concerning the Pakistani Letter of 17 December 1958 to the Security Council. S/4169. March 5, 1959. 3 pp. mimeo.

General Assembly

Executive Committee of the High Commissioner's Programme. Report on the First Session of the Executive Committee of the High Commissioner's Programme (Geneva, 26-30 January 1959). A/AC.96/20. February 6, 1959. 28 pp. mimeo.

The Future of the Trust Territories of the Cameroons Under French Administration and the Cameroons Under United Kingdom Administration. Special report

¹ Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York 27, N.Y. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

of the Trusteeship Council. A/4094. February 18, 1959. 30 pp. mimeo.

Trusteeship Council

Examination of the Annual Report on the Administration of the Cameroons under British Administration, 1957: Supplementary Information Regarding Developments Subsequent to the Preparation of the Report of the Administering Authority for 1957. T/1435. February 9, 1959. 15 pp. mimeo.

Rural Economic Development of the Trust Territories. Report submitted by the Food and Agriculture Organization concerning land tenure and land use problems in the Trust Territories of Tanganyika and Ruanda-Urundi. T/1438. February 19, 1959. 49 pp. mimeo.

TREATY INFORMATION

U.S. and U.K. Sign Amendment to Atomic Energy Agreement

Press release 307 dated May 7

The Governments of the United Kingdom and the United States on May 7 signed an amendment to the agreement for cooperation on the uses of atomic energy for mutual defense purposes. The agreement has been in effect since August 4, 1958.¹ Secretary Herter signed the amendment for the United States. British Ambassador Harold Caccia signed for the British Government.

This amendment, by making possible additional exchanges of equipment and materials, broadens the scope of U.S. cooperation with the United Kingdom and further serves the common defense arrangements in which the two nations jointly participate.

The amendment provides for the transfer to the United Kingdom of nonnuclear parts of atomic weapons and weapons systems for the purpose of improving the United Kingdom's state of training and operational readiness. It further provides for the interchange of certain types of materials for research on, development of, or use in the defense programs of both countries.

This amendment will become effective after all of the statutory and parliamentary requirements of both nations have been fulfilled.

¹ BULLETIN of Aug. 25, 1958, p. 310; for text of agreement, see *ibid.*, July 28, 1958, p. 161.

United States and France Sign Atomic Fuel Defense Agreement

Press release 310 dated May 7

Secretary Herter and French Ambassador Hervé Alphand signed an agreement on May 7 at Washington under which the United States will sell to France up to 440 kilograms of enriched uranium for use in the development and operation by the French Government of a land-based prototype submarine nuclear propulsion plant. Under the Atomic Energy Act the signed agreement must now lie before Congress for 60 days, after which it may be brought into force by an exchange of notes between the two Governments.

The agreement recognizes that the nuclear fuel transfer will promote the joint defense and security of the two countries and relates the transaction to their common participation in international defense arrangements.

Dependent upon French requirements, up to 300 kilograms may be enriched to 90 percent in the isotope U-235, while the remainder may be enriched to 20 percent. The accord provides for reprocessing in the United States of the spent fuel.

Payment will be at the rates established by the U.S. Atomic Energy Commission for domestic distribution in effect at the time of sale. The agreement, when brought into effect, will remain in force until terminated by mutual consent, although the actual fuel transfer must take place within 10 years.

France and the United States are already cooperating in the peaceful uses of atomic energy under an agreement concluded June 19, 1956.¹ Future U.S.-French cooperation under the May 7 agreement will serve to extend their defense planning.

Current Actions

MULTILATERAL

Postal Services

Universal postal convention with final protocol, annex, regulations of execution, and provisions regarding air-mail with final protocol. Done at Ottawa October 3, 1957. Entered into force April 1, 1959. TIAS 4202.

¹ Treaties and Other International Acts Series 3689.

Ratifications deposited: United Arab Republic (on behalf of Egyptian and Syria Provinces), January 15, 1959; Union of Soviet Socialist Republics, March 17, 1959; Mexico, March 19, 1959.

Accessions deposited: Federation of Malaya, March 13, 1959; Yemeu, March 19, 1959.

Shipping

Convention on the Intergovernmental Maritime Consultative Organization. Signed at Geneva March 6, 1948. Entered into force March 17, 1958. TIAS 4044.

Acceptance deposited (with statement): Finland, April 21, 1959.

Telecommunication

Telegraph regulations (Geneva revision, 1958) annexed to the international telecommunication convention of December 22, 1952 (TIAS 3266), with appendixes and final protocol. Done at Geneva November 29, 1958.¹
Notification of approval: Jordan, March 9, 1959.

Whaling

Protocol amending the international whaling convention of 1946 (TIAS 1849). Done at Washington November 19, 1956.

Ratification deposited: Brazil, May 4, 1959.

Entered into force: May 4, 1959.

BILATERAL

Austria

Agreement for reciprocal acceptance of certificates of airworthiness for imported aircraft. Effected by exchange of notes at Washington April 30, 1959. Entered into force April 30, 1959.

Burma

Agreement amending the agricultural commodities agreement of May 27, 1958 (TIAS 4036). Effected by exchange of notes at Rangoon March 11, 1959. Entered into force March 11, 1959.

Canada

Agreement relating to the establishment, maintenance, and operation of short-range tactical air navigation (TACAN) facilities in Canada, with annex. Effected by exchange of notes at Ottawa May 1, 1959. Entered into force May 1, 1959.

France

Agreement for cooperation on uses of atomic energy for mutual defense purposes. Signed at Washington May 7, 1959. Enters into force on date each Government receives from the other written notification that it has complied with statutory and constitutional requirements.

Germany

Agreement for cooperation on uses of atomic energy for mutual defense purposes. Signed at Bonn May 5, 1959. Enters into force on date each Government receives from the other written notification that it has complied with statutory and constitutional requirements.

Greece

Agreement for cooperation on uses of atomic energy for mutual defense purposes. Effected by exchange of notes at Athens May 6, 1959. Enters into force on date each Government receives from the other written notification that it has complied with statutory and constitutional requirements.

¹ Not in force.

Netherlands

Agreement for cooperation on uses of atomic energy for mutual defense purposes. Signed at The Hague May 6, 1959. Enters into force on date each Government receives from the other written notification that it has complied with statutory and constitutional requirements.

Nicaragua

Agreement providing investment guaranties under section 413(b)(4) of the Mutual Security Act of 1954, as amended (68 Stat. 847; 22 U.S.C. 1933). Effected by exchange of notes at Managua April 14, 1959. Entered into force April 14, 1959.

Turkey

Agreement for cooperation on uses of atomic energy for mutual defense purposes. Effected by exchange of notes at Ankara May 5, 1959. Enters into force on date each Government receives from the other written notification that it has complied with statutory and constitutional requirements.

United Kingdom

Agreement amending agreement for cooperation on the uses of atomic energy for mutual defense purposes of July 3, 1958 (TIAS 4078). Signed at Washington May 7, 1959. Enters into force on date each Government receives from the other written notification that it has complied with statutory and constitutional requirements.

PUBLICATIONS

Foreign Relations Volume

The Department of State announced on May 10 (press release 296 dated May 1) the release of *Foreign Relations of the United States, 1941, Volume II, Europe*, one of a series of seven volumes giving the documentary record of the diplomacy of the United States for the year 1941. Volume I, covering general multilateral subjects and the Soviet Union, and volume IV, on the Far East, have already been published.

Copies of volume II (vii, 1,011 pp.) may be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C., for \$4.25 each.

DEPARTMENT AND FOREIGN SERVICE

Designations

Robert P. Terrill as Special Assistant for Communist Economic Affairs, Office of the Under Secretary for Economic Affairs, effective April 28.

Leonard L. Bacon as deputy director, Office of Northeast Asian Affairs, effective May 4.

David M. Bane as director, Office of Northeast Asian Affairs, effective May 4.

James G. Hoofnagle as director, Office of Budget, effective May 3.

Marshall P. Jones as deputy director, Office of Budget, effective May 3.

Carroll M. Terry as director, Office of Intelligence Resources and Coordination, effective May 4.

Consulate Opened at Freetown, Sierra Leone

The Department of State announced on May 5 (press release 306) the opening of a consulate at Freetown, Sierra Leone, West Africa, on May 4. The new consulate's jurisdiction covers the British Colony (limited principally to the city of Freetown) and Protectorate of Sierra Leone, with a population of about 2.5 million people. The United States had maintained a consular agency at Freetown prior to World War II.

Herbert Reiner, Jr., is the consul in charge.

Check List of Department of State Press Releases: May 4-10

Press releases may be obtained from the News Division, Department of State, Washington 25, D.C. Releases issued prior to May 4 which appear in this issue of the BULLETIN are Nos. 296, 297, and 298 of May 1.

No.	Date	Subject
†301	5/4	Dillon: Senate Foreign Relations Committee.
*302	5/4	Cultural exchange (Israel).
303	5/4	U.S. representatives on U.N. <i>Ad Hoc</i> Committee on Peaceful Uses of Outer Space (rewrite).
*304	5/5	Educational exchange (Norway, Philippines).
305	5/5	U.S. note of May 5 to Soviet Union.
306	5/5	Consulate opened at Freetown, Sierra Leone (rewrite).
307	5/7	Atomic energy agreement with U.K.
308	5/7	Dillon: "The Challenge of Soviet Economic Expansion."
309	5/7	Changes on U.S. munitions list.
310	5/7	Atomic fuel defense agreement with France.
*311	5/7	Cultural exchange (Brazil).
†312	5/7	Wilcox: "The World Health Organization and World Peace."
*313	5/7	Program for visit of King of Belgium.
314	5/7	U.S. delegation to World Health Assembly (rewrite).
315	5/7	Herter: report to the Nation.
316	5/8	U.S. note of May 8 to Soviet Union.
†317	5/8	U.S. delegation to Foreign Ministers meeting.
*318	5/9	Educational exchange (Nicaragua).
319	5/9	14th session of GATT.

*Not printed.

†Held for a later issue of the BULLETIN.

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There were a number of significant developments in U.S. foreign policy during 1958—but underlying these developments are certain constant features of U.S. policy which are determined both by the constancy of America's basic goals and by the existence of long-range trends and continuing conditions in world affairs.

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THE DEPARTMENT OF STATE

Bulletin

VOL. XL, No. 1040 • PUBLICATION 6825

June 1, 1959

The Department of State BULLETIN, a weekly publication issued by the Public Services Division, Bureau of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, United Nations documents, and legislative material in the field of international relations are listed currently.

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Washington 25, D.C.

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Note: Contents of this publication are not copyrighted and items contained herein may be reprinted. Citation of the DEPARTMENT OF STATE BULLETIN as the source will be appreciated.

Western Powers Present Peace Plan at Foreign Ministers Conference in Geneva

The Foreign Ministers of France, the Union of Soviet Socialist Republics, the United Kingdom, and the United States met at Geneva, Switzerland, on May 11 to discuss the German problem, including a peace treaty with Germany and the question of Berlin. Following are a statement made by Secretary Herter on May 13, a statement by Mr. Herter introducing the Western proposals on May 14, the text of the Western peace plan, and an announcement of the U.S. delegation.

STATEMENT BY SECRETARY HERTER, MAY 13

On behalf of the United States I would like to say that I come to this conference with a deep sense of the grave responsibilities resting on us, the Foreign Ministers of France, the United Kingdom, the Union of Soviet Socialist Republics, and the United States. Our efforts will affect not only the nations represented at this table. Other nations also await our progress in resolving the difficult problems facing us.

John Foster Dulles took part during the past 6 years in all meetings of the Foreign Ministers on the problem of a divided Germany. I know we all have him in mind today as we start our labors.

It is almost 4 years since the last meeting of the Foreign Ministers in Geneva. As Foreign Minister Selwyn Lloyd has stated, in the summer of 1955 we seemed to be entering a somewhat hopeful period.

Agreement had finally been reached on full sovereignty for Austria.

The Heads of Government, after a cordial meeting in this gracious city, reached agreement on a directive covering three points: European security and Germany, disarmament, and development of contacts between East and West. As to Germany,

they agreed that "the settlement of the German question and the re-unification of Germany by means of free elections shall be carried out in conformity with the national interests of the German people and the interests of European security."¹

In an effort to reduce the danger of great surprise attack, President Eisenhower had offered to subject all of America's military establishments to aerial scrutiny if the Soviet Union would do the same.

But most of these hopes have been dashed—Germany remains split, its division a grave injustice bearing the seeds of future troubles.

More recently there have again been a few hopeful signs.

Talks on the nuclear test suspension issue last year resulted in the rapid conclusion of a technical consensus. This was an auspicious start. Although a political solution still escapes our grasp, the negotiations seem to be making gradual progress.²

In developing contacts between peoples of the Soviet Union and the Western Powers, it can be said that some progress has been made. Apparently the nations are finding these exchanges to their mutual interest. This gives a measure of hope that East and West can reach mutually advantageous agreements in even more important fields.

The German Question

Now we are meeting again—but not because of any change in the political situation which would appear to make solutions more likely. We meet in the light of the situation created by the announced intention of the Soviet Union unilaterally

¹ BULLETIN of Aug. 1, 1955, p. 176.

² For background, see *ibid.*, May 18, 1959, p. 700.

to liquidate the relationship under which the Four Powers have been discharging their war-originated responsibility for Berlin and for reunifying Germany.³

The root of the problem remains the same—the German people are being prevented from establishing a government of their own choice for all of Germany. The problem will remain until the entire German people can express their will freely.

In a very real sense our conference of 1959 is a continuation of the 1955 meeting of the Foreign Ministers. Less than 4 years ago our Heads of Government publicly acknowledged responsibility in the matter of German reunification. We cannot now abdicate this responsibility.

As I see it, our Foreign Ministers Meeting has three interrelated objectives. The first is to reach positive agreements over as wide a field as possible. The second is to narrow the differences between our respective points of view. The third is to prepare constructive proposals for consideration by a conference of Heads of Government if such a conference takes place later this year.

To achieve these objectives requires serious, constructive negotiation. This clearly calls for private discussions in the conference.

U.S. Hopeful for Progress

Our meeting here can prove a prelude to a summit meeting. If we can make satisfactory progress, the United States stands ready to join in a meeting of Heads of Government formally to record such progress and perhaps take additional steps of mutual benefit to the free world and the Soviet bloc. My Government is anxious to make the necessary progress here, but the Western Powers cannot make it alone.

We all of us carry a solemn responsibility to all of mankind. This conference can go down in history as an exchange of propaganda or as a serious attempt by men of different ideologies to reach a meeting of the minds on major problems so that a secure peace can have a chance to develop.

Over our shoulders as we sit at this table peer the anxious faces of the peoples of all the nations of the world. It would be a mistake to think of

³ For background, see *ibid.*, Oct. 20, 1958, p. 613; Dec. 29, 1958, p. 1041; Jan. 5, 1959, p. 5; Jan. 19, 1959, p. 79; Mar. 9, 1959, p. 333; Apr. 13, 1959, p. 507; Apr. 20, 1959, p. 554; and May 25, 1959, p. 735.

this conference as dealing only with matters of concern to Europe alone. The peoples of other lands cannot forget that when war exploded twice in this century in Europe it engulfed the rest of the world. The peoples of Asia and Africa and Latin America know that the work we do here, for good or bad, can affect them as well as us. They insist that we work toward agreement.

In conclusion I should say that the United States is in deadly earnest about wanting to reach agreements. My Government looks for concrete self-enforcing agreements of advantage to all nations which are parties. Only such agreements will ease the tension now spoiling the relations between the free world and the Soviet Union. Proposals will be presented looking to such agreements.

STATEMENT BY SECRETARY HERTER, MAY 14

Press release 333 dated May 15

Since the end of the war it has been the business of the four major powers to restore to Europe the unity and peace which Hitler destroyed. Each of us has recognized this obligation. I do not have to remind you of the terms of the directive given by the Heads of Government here in Geneva on July 23, 1955. That directive said:

The Heads of Government, recognizing their common responsibility for the settlement of the German question and the re-unification of Germany, have agreed the settlement of the German question and the re-unification of Germany by means of free elections shall be carried out in conformity with the national interests of the German people and the interests of European security.

This directive of the Heads of Government constitutes for the Four Powers both a recognition of the principles which ought to govern the settlement of the German problem and a concrete undertaking. Yet the anomaly has remained that, even though that was agreed in 1955, today, 1959—14 years after the defeat of Germany—no peace settlement has been made. The principles contained in the directive of the Heads of Government represent the views not of one side or the other but the views of both. The Soviet Union has expressed as fervent a desire as any of the other powers to conclude a final settlement—to draw a line under the past and provide a secure basis for the future.

Where circumstances have permitted it, where

the wishes of peoples have been given free play, much has been accomplished. In Western Europe the wounds of the war have healed. The Federal Republic of Germany has settled its differences with its Western neighbors. It has become a member of the European family, and this membership has operated to provide an important guarantee to all European countries. As the ties of association increase and the bonds of interdependence multiply, the possibility of unilateral action becomes increasingly remote.

But the division of Germany itself continues. It remains the first task of the four Foreign Ministers to bring this division to an end.

Interrelated Problems

Germany is not the only piece of unfinished business which faces the troubled peoples of the world. Since the conference of 1955 no agreement has been reached in the solution of the other principal questions outstanding between the peoples of the East and West, although there is hope for progress in certain fields. The negotiations on general disarmament have made no real progress, and the question of inspection and control, which is indispensable, remains a most serious difficulty. Disturbing and divisive situations persist in the heart of the European Continent. Peoples in Eastern Europe, as the events of Hungary have shown, remain powerless to determine their fate. In other areas grave crises continue to threaten the tranquillity of the world.

After the efforts made by them during the years 1956, 1957, and 1958 to resolve the crises which have shaken the world, and in order to advance the cause of disarmament and to insure the renewal of negotiations of the principal outstanding problems, France, the United Kingdom, and the United States have resolved to make a new endeavor to find a way forward. Although they consider their previous proposals reasonable, they are ready to develop them further in the hope of meeting the legitimate preoccupations of the Soviet Union and of the other countries of Eastern Europe.

The Soviet Government has said that the problem of German reunification is not ripe for solution at the present time. It wishes to limit the discussion at the present conference to Berlin and a peace treaty with the two parts of Germany.

Is it realistic to exclude consideration of Ger-

man reunification in dealing with the present Berlin crisis? Surely the way to deal with the Berlin problem is to deal with its cause. One must consider Berlin as part of the central problem in Germany, the division of the country, and must find a solution to this central problem. When this is solved, the question of Berlin will disappear and the city will take its rightful place as the capital of Germany.

Just as the question of Berlin is part of the larger German question, so the problem of Germany as a whole is itself in turn part of an even larger problem. The reconstruction of a unified German state of 70 million people in the heart of Europe will unquestionably be a new factor of great importance and far-reaching consequences. This is why all the powers represented here have always recognized the interrelationship of German reunification and European security. Furthermore it has long been the view of the Three Powers that no European security settlement would be of value unless it was accompanied by a solution of the German problem. This is because, so long as the German problem remains unsolved, a basic source of insecurity, dissatisfaction, and risk will continue to prevail.

On the basis of a review of these interrelated problems the Western Powers have developed proposals which take into account the interests of Germany's neighbors and of Germany herself and which provide a basis for the establishment of a permanent settlement in Europe. They are ready to discuss these plans in as thorough and painstaking a fashion as possible. But they must press for a serious discussion which goes to the root of the problem.

Any lasting settlement must take into account the needs and interests of the parties concerned and must not require any of them to make intolerable concessions. It is not the view of the Three Powers that advantages secured by one side should be offset by disadvantages accepted by the other side. They believe in the possibility of a general settlement which could be mutually advantageous to everybody.

A lasting solution must be based upon the consent of the participants. It cannot be imposed; it must be accepted. It must provide for free determination, free expression of opinion—in short, a vote. The West is aware that the Soviet Union is not prepared for the immediate holding

of free elections in East Germany. We are ready therefore to agree that prior to elections contacts between East and West Germans should be arranged in order to discuss, among other subjects, the modalities of elections. But there can be no question of the basic need at some definable point of elections as the means for achieving reunification. Otherwise there would be no means of ascertaining the popular will as to the kind of state and government under which Germany's future should develop. In fact it is essential that there should be an all-German government so constituted as to be able to speak with undoubted authority for the whole of the German people.

The Soviet Government has complained that such a method would result in what they refer to as a mechanical merger which would automatically liquidate what the East German regime describes as its "social achievements." It is certainly not the intent of the Western Powers to impose on one part of Germany the regime which prevails in the other one. But it must be the German people themselves, acting through a freely chosen government, who will determine their own social structure. Exactly what that social structure will be cannot be determined now. The Three Powers freely recognize, however, that the different social development of the two parts of Germany itself constitutes a major problem.

Any settlement must also assure the participants that their own security will not be imperiled. The scales must not be tipped against either side.

Since there is an obvious connection between the solution of major political problems and disarmament, the Western Powers suggest that the negotiation on German reunification be considered in relation to general disarmament. They stand ready to make renewed efforts in the latter field as a means of facilitating progress in the former.

The building of confidence is an important element in creating the basis for political agreement. The demonstrated fulfillment of engagements can contribute greatly to an increase in confidence. This is one of the reasons why effective methods of verification must form an essential element in proposals in the disarmament and security field.

Western Peace Plan

Using the principles which I have discussed briefly as guidelines, the Western Powers have

prepared for the consideration of the Soviet Government a peace plan containing proposals on German reunification, European security, and a peace settlement. Its parts are all linked together, and it must be viewed as a whole.

The Three Powers believe it possible to envisage a new plan under which the reunification of Germany could take place not only in the framework of a system of European security but also by stages. In particular, the plan would provide that the reunification of Germany would not begin at once with free elections but that these would be preceded by a preparatory period. During this period a mixed committee for the whole of Germany would be set up. This committee would be authorized to make proposals with the object of facilitating contacts and freedom of movement between the two parts of Germany. It would likewise be charged with preparing and proposing an electoral law which would allow for the constitution of a national assembly for the whole of Germany by free elections. The Soviet Government is well known to hold the view that it is the two parts of Germany as at present constituted which ought to prepare German reunification. In contrast, the Three Powers feel that only freely elected representatives are competent to speak for the German people as a whole. They believe that it is a duty incumbent on the Four Powers to see that such representatives, who alone would have the necessary authority for their task, are formed into an all-German government. The Four Powers cannot divest themselves of this responsibility. Nevertheless the Three Powers regard their present proposal, whereby election procedures can be agreed between members of the committee nominated both by the Federal Government and the East German regime, as a reasonable compromise designed to take account of the Soviet viewpoint. They trust that the Soviet Government will themselves regard it in the same light.

This preparatory period would likewise be utilized to establish the first bases of a system of European security. At the end of the initial phase, which could be at the end of the present conference, the Four Powers would enter into formal undertakings not to have recourse to force and to refuse help to any aggressor. At the same time they would agree upon arrangements for consultation and conciliation among the interested

parties. Finally they would jointly suggest a resumption of negotiations on general disarmament in conditions to be agreed upon.

Then, during the preparatory period, positive measures would be taken in the field of European security. These could be envisaged as follows: arrangements to secure in the remainder of Germany and in other European countries to the East the prohibition of the manufacture of chemical, biological, and nuclear weapons of mass destruction now accepted by the Federal Republic of Germany; exchange of information on armed forces; overall limitation of armed forces and armaments to agreed levels; measures against surprise attack in agreed areas throughout the world; and the working out of a system of inspection.

At the end of this preparatory period free elections would take place, a national assembly would be constituted, and a government for the whole of Germany would be formed. At the same time new security measures would enter into force. These would relate particularly to the fixing of ceilings on armed forces, foreign as well as national, stationed in certain parts of Europe. There would be provisions for an effective inspection and verification system.

Finally there is the question of Berlin. The Soviet Government has itself taken the initiative in raising this question. The Three Powers believe that any further agreement relating to Berlin should, both in logic and in equity, apply to the whole of Berlin and not merely to West Berlin, as the Soviet Government has proposed. They believe that the reunification of Berlin, which is what they suggest, should be a first step toward German reunification. In short, what they propose is that the reunification of Berlin should be the forerunner and microcosm of the reunification of Germany as a whole.

It is on these bases, which provide in advance the principal clauses of a settlement of the problem arising from the last war, that the remaining provisions for the final peace settlement could be negotiated.

Such are the broad lines of the plan which the Western Powers present to the Soviet Union for examination.

An examination of the plan which I have just submitted on behalf of the Governments of France, the United Kingdom, and the United States clearly shows that our Governments have

gone very far to meet Soviet preoccupations. My colleagues and I will have an opportunity during the discussions to point out the important modifications which have been made to our 1955 proposals in order to take account of Soviet views. We earnestly hope that the Soviet Government will for its part make a comparable effort and thus make it possible to find at last a basis for mutual understanding.

TEXT OF WESTERN PEACE PLAN

Press release 331 dated May 14

The Governments of France, the United Kingdom and the United States of America are convinced of the urgent need for a settlement of the German problem. They desire to seek, in such a settlement, progressive solutions which would bring about German reunification and security in Europe. Moreover they believe that progress on each of the problems of general disarmament, European security and a political settlement in Europe affects the degree of progress possible in the solution of each of the other problems.

They accordingly propose to the Government of the Union of Soviet Socialist Republics an agreement between the Four Governments which would include the measures outlined below relating to a general settlement of the problems at issue. The measures envisaged are closely interrelated and the present proposals are therefore to be regarded as an inseparable whole. They would come into effect progressively at the stages indicated.

STAGE I

Reunification

1. The Four Powers would establish suitable arrangements for consultation among the parties to supervise the implementation of the agreement and to settle any disputes which might arise before the conclusion of a peace settlement with a reunified Germany.

2. With regard to Berlin, the Four Powers would agree that:

- (a) Berlin is one city and belongs to all of Germany. East and West Berlin should, therefore, be united through free elections held under quadripartite or UN supervision. A freely elected Council would be formed for the whole of Berlin until German reunification was achieved and as a first step towards it. Thus Berlin would be retained as the future capital of a reunified Germany.
- (b) Subject to the supreme authority of the Four Powers, (with voting procedures as adopted by the Allied authorities in Vienna), the freely elected Berlin Council would be free to administer the city.
- (c) The freedom and integrity of the united city of Berlin and access thereto would be guaranteed by the Four Powers who would continue to be entitled as at present to station troops in Berlin.

- (d) The Four Powers would take the necessary steps to carry out during Stages I and II of the "Phased Plan" the measures described in (a) to (c) above.

Security

3. In a common declaration, with which other interested states would be invited to associate themselves, they would undertake to:

- (a) settle, by peaceful means, any international dispute in which they may be involved with any other party;
- (b) refrain from the use of force in any manner inconsistent with the purposes of the Charter of the United Nations;
- (c) withhold assistance, military or economic, to an aggressor.

4. In order to facilitate further the solution of political problems and the improvement of international relations, the Four Powers would, in an appropriate forum, initiate discussion of possible staged and controlled comprehensive disarmament measures.

5. The Four Powers would arrange discussions to develop procedures for exchanging information in Stage II on military forces in agreed areas of Europe.

STAGE II

Reunification

6. Bearing in mind the complex issues involved in reunification, a transitional period would be agreed. The Four Powers would set up a Mixed German Committee.

7. The Mixed Committee would consist of 25 members from the Federal Republic of Germany and 10 members from the so-called "German Democratic Republic". These members would be appointed by the Federal Government and the authorities of the so-called German Democratic Republic respectively.

8. The Mixed Committee would take its decisions by a three quarter majority.

9. The Mixed Committee would be entrusted with the task of formulating proposals:

- (a) to coordinate and expand technical contact between the two parts of Germany;
- (b) to ensure the free movement of persons, ideas and publications between the two parts of Germany;
- (c) to ensure and guarantee human rights in both parts of Germany;
- (d) for a draft law providing for general, free and secret elections under independent supervision.

10. The Mixed Committee would transmit any proposals made by it under subparagraphs (a) to (c) inclusive of paragraph 9 above to the appropriate authorities in both parts of Germany. Such proposals, if no objections are raised with respect of them, should be implemented as appropriate in both parts of Germany.

11. (a) Any agreed proposal for an electoral law in accordance with sub-paragraph (d) of paragraph 9 above would be submitted to a plebiscite in both parts of Germany.

(b) If within one year no such draft law had been

formulated by the Committee, the group of members from the Federal Republic on the one hand and the group of members from the so-called German Democratic Republic on the other would each formulate a draft law approved by a majority of its members. These two draft laws would then be submitted to a plebiscite as alternatives. The electoral area for each draft law would consist of both parts of Germany.

(c) If any proposal for an electoral law obtained a majority of valid votes in each of the two parts of Germany, it would acquire the force of law and be directly applicable for the entire electoral area.

(d) The Four Powers would, at the time of signature of the agreement, expressly authorize the competent German authorities to promulgate any electoral law so approved.

(e) The Four Powers would adopt a statute providing for the supervision of the plebiscite.

12. If all-German elections had not been held on or before the termination of a thirty months' period beginning on the date of the signing of the agreement, the Four Powers would determine the disposition to be made of the Committee.

Security

13. An exchange of information on military forces in the areas referred to in paragraph 5 above would be undertaken.

14. The Four Powers would restrict or reduce their armed forces to agreed maximum limits, for example, United States 2,500,000; Soviet Union 2,500,000. During this same period, these states would place in storage depots, within their own territories and under the supervision of an international control organization, specific quantities of designated types of armaments to be agreed upon and set forth in lists annexed to the agreement.

15. The Four Powers would be prepared to negotiate on a further limitation of their armed forces and armaments to become effective in Stage III subject to:

- (a) verification of compliance with the provisions of paragraph 14 above;
- (b) agreement by other essential states to accept limits on their armed forces and armaments, fixed in relation to the limits of the armed forces and armaments of the Four Powers;
- (c) installation of an inspection and control system to verify compliance with all agreed security measures.

16. Measures of inspection and observation against surprise attack, helped by such technical devices as overlapping radar systems, could be undertaken in such geographical areas throughout the world as may be agreed by the Four Powers and other states concerned.

17. Since in 1954 the Federal Republic of Germany renounced the production of chemical, biological and nuclear weapons, the Four Powers will make such arrangements as might be appropriate to secure similar measures of renunciation in the remainder of Germany and in other European countries to the East.

18. Inspection systems would be worked out for ensuring

compliance with the appropriate security measures envisaged in Stage III.

STAGE III

Reunification

19. Not later than two and a half years after the signature of the agreement elections for an all-German Assembly would be held in both parts of Germany under the terms of the electoral law drafted by the Mixed Committee, approved by the Four Powers and adopted by the German people in a plebiscite (in accordance with the provisions in Stage II above).

20. The elections would be supervised by a supervisory commission and supervisory teams throughout all of Germany. The commission and teams would be composed of either (a) United Nations Personnel and representatives of both parts of Germany, or (b) representatives of the Four Powers and representatives of both parts of Germany.

21. The all-German Assembly would have the task of drafting an all-German constitution. It would exercise such powers as are necessary to establish and secure a liberal, democratic and federative system.

22. As soon as an all-German Government has been formed on the basis of the above-mentioned constitution it would replace the governments of the Federal Republic and the so-called German Democratic Republic and would have:

- (a) full freedom of decision in regard to internal and external affairs, subject to the rights retained by the Four Powers as stipulated in paragraph 23 below;
- (b) responsibility for negotiating, as soon as possible after its establishment, an all-German Peace Treaty.

23. Pending the signature of a Peace Treaty with an all-German Government formed on the basis of the all-German constitution, the Four Powers would retain only those of their rights and responsibilities which relate to Berlin and Germany as a whole, including reunification and a peace settlement and, as now exercised, to the stationing of armed forces in Germany and the protection of their security.

Security

24. Implementation of the following security provisions would be dependent upon the establishment of effective control and inspection systems to assure verification and upon the agreement, where appropriate, of the all-German Government to the security measures called for in Stage III.

25. Upon the establishment of an all-German Government, the Four Powers and such other countries as are directly concerned would agree that in a zone comprising areas of comparable size and depth and importance on either side of a line to be mutually determined, agreed ceilings for the indigenous and non-indigenous forces would be put into effect.

26. After conclusion of the Peace Treaty, no party would station forces in any country in this area without the consent of the country involved. Upon the request of the country involved, any party so stationing forces would

withdraw them within a stated period and would undertake the obligation not to send forces to that country again without the consent of the government of that country.

27. Should the all-German Government decide to adhere to any security pact:

- (a) there might be special measures relating to the disposition of military forces and installations in the area which lies closest to the frontiers between a reunited Germany and countries which are members of another security pact;
- (b) the Four Powers would be prepared to join with other parties to European security arrangements in additional mutual obligations, covering especially the obligation to react against aggressions;
- (c) the Four Powers would be prepared to join with other parties to European security arrangements herein described in giving an assurance that they would not advance their forces beyond the former line of demarcation between the two parts of Germany.

28. Providing that the limitations and conditions set forth on armed forces and armaments in Stage II are met, the Four Powers would further limit their armed forces together with corresponding reduction on armaments to agreed maximum levels, for example U.S. 2,100,000; and U.S.S.R. 2,100,000. Reductions in the armed forces and armaments of other essential states to agreed levels would take place at the same time in accordance with paragraph 15 of Stage II.

29. After verified compliance with the above limitations, and subject to the same conditions, negotiations would be undertaken on further limitations (for example, U.S. 1,700,000; and U.S.S.R. 1,700,000) together with corresponding reductions on armaments. The levels of armed forces and armaments of other essential states would be specified at the same time through negotiations with them.

30. The measures provided for above would be harmonized with general disarmament plans so as to be included in a general framework.

31. All of the security measures of the "Phased Plan" would continue in force as long as the control system is operative and effective and the security provisions are being fulfilled and observed.

STAGE IV

Since a final Peace Settlement can only be concluded with a Government representing all Germany, it should be concluded at this stage. The Settlement should be open to signature by all states members of the U.N. which were at war with Germany. The Settlement should enter into force when ratified by the Four Powers and by Germany.

U.S. DELEGATION

The Department of State announced on May 8 (press release 317) the following U.S. delegation

to the Conference of Foreign Ministers beginning at Geneva on May 11.

Head of Delegation

Christian A. Herter, Secretary of State

Members of Delegation

Livingston T. Merchant, Assistant Secretary of State for European Affairs

Llewellyn E. Thompson, American Ambassador to the Union of Soviet Socialist Republics

Principal Advisers

Loftus Becker, Legal Adviser, Department of State

Andrew H. Berding, Assistant Secretary of State for Public Affairs

John N. Irwin II, Assistant Secretary of Defense for International Security Affairs

G. Frederick Reinhardt, Counselor of the Department of State (*coordinator*)

Gerard C. Smith, Assistant Secretary of State for Policy Planning

Charles A. Sullivan, Deputy Special Assistant to the Secretary of State for Disarmament and Atomic Energy

Francis O. Wilcox, Assistant Secretary of State for International Organization Affairs

Secretary of Defense Neil H. McElroy will be available to participate at a later date as necessary.

U.S. Lifts Restriction on Travel to Bulgaria

Press release 322 dated May 12

The Department of State announced on May 12 that effective immediately the restriction hitherto applicable with regard to U.S. passports for travel to and in Bulgaria will no longer be in force.¹

The restrictive endorsement regarding Bulgaria which now appears in all U.S. passports will be canceled at such time as the passport is renewed or upon specific request. Such requests, accompanied by the passport, should be directed to the Passport Office, Washington, D.C., or to the Passport Agency at New York City, Boston, Miami, Chicago, New Orleans, Los Angeles, or San Fran-

¹ For an announcement of the resumption of diplomatic relations with Bulgaria, see BULLETIN of Apr. 13, 1959, p. 512.

cisco. Persons abroad should direct requests to the nearest U.S. consular office.

U.S. Invites Soviets To Negotiate Extension of Exchange Agreement

Press release 336 dated May 15

The Department of State has proposed to the Soviet Government that negotiations be undertaken in late June or early July of this year concerning extension of the exchange agreement between the two countries. This agreement on exchanges in the cultural, technical, and educational fields was signed January 27, 1958,¹ and provided for a program extending over a 2-year period.

The text of the Department's aide memoire, delivered May 15,² is as follows:

The Department of State has the honor to refer to conversations which have taken place during recent months between officials of the United States Government on the one hand, and officials of the Government of the Union of Soviet Socialist Republics on the other, concerning the desirability of negotiating an extension of the Cultural, Technical, and Educational Exchange Agreement between the two countries signed January 27, 1958, in Washington.

The Department of State after careful consideration of this matter has decided that such negotiations are desirable and is prepared to commence them in late June or early July of this year, thus providing both sides an opportunity for necessary preparations between representatives of the two governments as to the nature and extent of the proposed extensions.

The matter of the locus of negotiations confronts the United States with difficult technical problems which we believe will be sympathetically understood by the Soviet side. Therefore while the Department of State recognizes that the Soviet proposal that negotiations take place in Moscow is entirely reasonable, it expresses the hope that the Government of the Soviet Union will agree to enter into negotiations in the city of Washington.

Most of the exchanges enumerated in the present agreement have already been carried out, together with many others which were developed since the signing of the agreement. In proposing negotiations for extension of the agreement the United States Government reaffirms its belief in the value of the exchange program.

¹ For text, see BULLETIN of Feb. 17, 1958, p. 243.

² Handed to Soviet Ambassador Mikhail A. Menshikov at Washington by Ambassador William S. B. Lacy.

Freedom and the Search for Peace

*Remarks by President Eisenhower*¹

Any man privileged to receive from his fellow veterans an award signifying their respect for his efforts to promote peace should indeed be proud. Moreover, he should be very humble.

Any man who was part of the war must understand and must forever have engraved in his heart the truth that our opportunity to promote peace and to develop peaceful mechanisms was earned for us in the war by the sacrifices of thousands—of millions. When I think of the bravery and courage of men at war, for some reason I don't think so much of the bombardments or of the critical or dramatic moments that occurred to everyone. Instead, the picture I get is one of endurance, faithfulness, duty, loyalty—the soldier slogging his way toward the front in the rain, in the mud, blue-lipped, often muddy-faced, drenched, miserable, with never the thought crossing his mind that he should lay down his burden or his task.

There is, of course, one thing he should always have: the knowledge of why he is fighting and the knowledge that his great country, signified by this lovely flag, is always behind him.

We have too often forgotten our responsibility for doing that for the soldier. Sometimes we have not told him why men have been called to sacrifice everything, including life, for the cause of freedom which means the cause of peace.

Freedom means to live and to let live. Freedom does not seek to dominate. It wants no sway of power over others. It wants the right for each individual to develop himself to the full power of the rising opportunities that our God has given

us. This is what freedom wants, and the boy should, from babyhood, be taught that—all of us should be taught that.

Freedom has been defined as the opportunity for self-discipline. Other forms of discipline are imposed, but in freedom we must have self-discipline. Therefore a soldier goes to his task because he feels within himself the duty to do it, to discipline himself, not to respond merely to the methods of tyranny and dictatorship.

So, as I think of the soldier, struggling, lying in the mud to get some rest, I think sometimes of ourselves. Have we the courage, the stamina, the sense of duty, and the understanding of what freedom and peace truly mean? Have we got the courage and the stamina to continue everlastingly to carry on the search for peace, a peace with justice?

There is nothing jingoistic in America's ambitions. She seeks only for others the rights, the privileges, and the freedoms that she maintains for herself and will defend with everything she has.

This, it seems to me, is the one thing we must keep always in our understanding and in our hearts.

Freedom is not something that we keep just because this flag is so beautiful. As the commentator said in the beautiful description of the flag, the flag is what we make it.

Peace is what we make it.

Are we ready to sacrifice for it? Are we ready to dig in our pocketbooks? Are we ready to give our efforts in intelligence and everything we have to create the conditions under which all men can enjoy the fruitfulness of the earth, under the kind of conditions that we think of when at Christmas time we say, "Peace on earth to men of good will everywhere"?

I cannot tell you how proud I am to have this emblem. I wish I were worthy of it.

Thank you.

¹Made before the American Veterans of World War II at Washington, D.C., on May 1 (White House press release). President Eisenhower received the 1958 World Peace Award on this occasion.

Just Compensation in Expropriation Cases: Decline and Partial Recovery

by Loftus Becker
Legal Adviser¹

We all agree that the rule of law must govern in dealings between nations. We all are aware of the consequences of any other course: consequences which have been made manifest by two world wars in a span of less than 50 years; consequences which were appalling enough then but which now, in a nuclear age, have become almost too horrible to contemplate.

This society is dedicated to promoting and strengthening the rule of law in the realm of international affairs. That is its stated purpose, its true *raison d'être*. That is why we have gathered here these past few days; it is why we are here this evening. As practical men, we know this work in which we are engaged is not something to be done by fits and starts. It is a continuing process. It must be tended to constantly. Otherwise much that has been gained may be lost; the accomplishments of past years can quickly wither away from want of care.

By nature and tradition we tend to be an optimistic people. To us the idea of progress, of strong, steadfast advance toward a known goal, is almost second nature. Correspondingly, the idea of retrogression is repugnant to us. Nonetheless, setbacks occur here in our chosen field even as they do in other fields of human endeavor. While some may come about because of our failings, for the most part they are caused by events far beyond our power to control. But whatever the cause may be, whenever a vital principle of international law is flouted or broken, our duty is

plain. We must do our best to mend the break, to restore and revitalize the principle that has suffered harm.

But it is not my intention to speak in generalities this evening. Instead, I wish to consider with you a specific example of how a once-strong principle of international law has become vitiated in recent years by the pressure of events and the attacks of hostile forces and how the slow, painful process of restoring it to its former vitality is gaining headway. This example, I am sure, is of interest to all of us. It is taken from the vital field of property protection. It is, I think we will all agree, the core principle of international law in that field: that the property of foreigners may not be taken by the state without the payment of just compensation. Moreover, this principle is the very foundation stone of any structure for property protection, and without it the economic development so ardently desired in every quarter of the world will be slow to come.

Before the First World War there was little doubt of the validity of this principle. For the most part, governments and peoples accepted it and looked upon it as embedded in customary international law. Its basis in considerations of reason, equity, and justice was so obvious that general acceptance of the principle was virtually tacit in character. That the principle was a valid part of international law simply went without saying.

Breaches of Rule of Property Protection

The first important breach of this vital rule came in the aftermath of war. In 1917 the Soviet Government abolished private property in

¹ Address made before the American Society of International Law at Washington, D.C., on May 2 (press release 300).

land. Within the next few years it nationalized banks, mines, and industry at large. In all cases the terms were the same: no compensation to the owners, whether Russian or foreign. The Soviet expropriations were but the first of a dreary succession of such takings in the period between the wars, justified variously on grounds of political theory, economic necessity, or social reform.

Just by way of reminder of how extensive this process of nationalization with less than full compensation was, let me cite a few examples. No less than five Eastern European countries expropriated land in the course of agrarian reform programs. Nazi Germany confiscated the property of Jews wherever found and systematically absorbed private properties in countries it occupied. Mexico expropriated oil properties and farm and ranch lands. As we all know, the Second World War accelerated the process, and it still continues. There is little need to elaborate. The names and episodes are fresh in our memory: the satellites, the Anglo-Iranian Oil Company, the Suez Canal; and recently Indonesia has taken complete possession and control of most Dutch-owned properties, although not title thereto, with a provision for compensation but without any real steps having been taken to implement it.

My reason in citing this factual record is not to imply that we necessarily condemn nationalization as such. Lest there be any misunderstanding on this point, let me repeat what I said before the Inter-American Bar Association a few weeks ago.² I am not taking issue with the right of any country to take private property for public purposes upon payment of just compensation. The right of a country to do that is not and never has been an issue. What I am talking about is an effort which has been made by some, including, regrettably, a number of international lawyers, to establish legal principles which can support and exonerate the taking of private property without just compensation.

That is the significance of the actions I have just cataloged. They have seen not only a deterioration in the practice of states; they have seen an erosion of the basic legal principle involved. States have taken foreign property without compensation, or they have offered only partial com-

ensation, or they have promised just compensation but through one device or another have managed to evade this responsibility. In one case a promise of full indemnification was reduced by numerous financial manipulations and devaluations to an actual payment of 1 percent of the real value of the expropriated property.

A Variety of Justifications

States have advanced a variety of justifications for taking foreign property without just compensation. They assert the overriding social importance of the purposes for which the property is taken. They plead inability to pay. They claim that the principle of national treatment is fair and sufficient in the circumstances, that the foreigner is not entitled to more than the citizen. They erect a convenient distinction between individual expropriations and those having a general or impersonal character, and insist that partial compensation is right and lawful for the latter. Significantly, but not surprisingly, they deny that just compensation is a valid rule of international law, at least for general nationalization programs. They strive instead to clothe concepts of partial compensation with the dignity and the force of international law.

These claims are nothing new. Nor are they exclusively a product of the recent postwar period. The Soviet Union consistently denied any obligation, under international law or otherwise, to pay any compensation whatsoever for foreign property seized in the 1917 nationalizations, although later it agreed for reasons of convenience to various settlement arrangements.

Again, in 1929, discussion of the rules of just compensation in international law at the Paris Conference on the Treatment of Foreigners evoked a clash between defenders of the rule of just compensation and states which insisted that there were no rules of international law dealing with general expropriations and that the most a state was obliged to do was to grant national treatment. Proposals upholding the principle of "equitable" compensation were voted down by large majorities.

Again, in the controversy between the United States and Mexico in 1938 the Government of the latter asserted that,

There does not exist in international law any principle

² BULLETIN of May 11, 1959, p. 666.

universally accepted by countries, nor by the writers of treatises on this subject, that would render obligatory the giving of adequate compensation for expropriations of a general and impersonal character.³

In the recent postwar period states have little more than elaborated upon these assertions basic to the defense of partial compensation—or no compensation at all. The practice of states, however regrettable, is understandable when the welter of pressures, political, economic, social, ideological, that bear upon a government, especially in times of war or depression or social revolution, is kept in mind.

Concept of Partial Compensation

What is less understandable, and perhaps even more regrettable, is the extent to which some publicists, writers, and teachers of international law have lent their prestige and support to the concept of partial compensation. In fact, a fairly coherent body of relativist theory has built up, mainly but not entirely since the end of the Second World War, in support of partial compensation. This doctrine has been summarized in the following terms:⁴

Authors on international law who support the theory that in certain circumstances payment of mere partial compensation is admissible distinguish between expropriations of a general nature and so-called individual expropriations.

In the first group . . . they classify all expropriations carried out in connection with a modification of the economic or social structure of a particular State, and they are of the opinion that in such cases the State fulfills its obligations as to payment of compensation by payment of such compensation as is reasonable in the circumstances. They take the view that international law cannot set its face against the development of social forms by imposing an obligation to pay compensation to an extent usually all out of proportion to the financial resources of the nationalizing State.

The most cursory examination of this notion makes it plain that the same chain of reasoning could be used with equal ease to defend the proposition that there is no obligation under international law to pay any compensation whatsoever.

It is for this reason that it is particularly dis-

turbing that so many international lawyers of countries whose governments staunchly uphold the rule of just compensation have sought to justify or condone partial compensation. As early as 1937, a distinguished English publicist, Sir Hersch Lauterpacht, advocated partial compensation in the case of takings in the course of effecting fundamental social reforms. He argued pragmatically that full compensation could in effect nullify the proposed reform and saw justification for payment of less than full compensation to the foreigner by analogy to the lack of obligation to compensate neutrals for property destroyed in time of war. In the same year the Belgian scholar, Georges Kaeckenbeeck, advanced much the same idea.

In the postwar period the French publicist Friedman went far in defense of partial compensation on pragmatic grounds, most notably the practice of states, which he regards as the sole source of international law. The focal point of his position, however, appears to be denial of any obligation to respect acquired rights, especially respect for rights acquired contrary to the provisions of a subsequent law. Any such obligation he simply dismisses as discredited theory, based in turn on the idea of the immutability of objective law, which no one can seriously maintain.⁵ Somewhat less extreme positions in favor of the idea of partial compensation when the expropriation is of a general nature have been expressed by other French publicists, by the Swiss publicist, R. L. Bendschedler, and even by a few American writers.

Shift in Climate of Opinion

Strong support for partial compensation was advanced by the French scholar, Albert de la Pradelle, in a project prepared in 1951 for consideration by the Institute of International Law. Significantly, however, this project came under sharp attack, particularly by the Netherlands scholar, Jan Verzijl, who wrote that he refused to accept the current notions that states can enrich themselves at the expense of foreigners as a rule that deserves sanction by international law. At the Institute's conference at Siena in 1952 there was such sharp cleavage between advocates

³ *Foreign Relations of the United States, 1958*, vol. V, p. 680.

⁴ International Law Association, "The Legal Effects of Nationalizations Enacted by Foreign States," *Netherlands Branch Committee Report* (1958), p. 24.

⁵ S. Friedman, *Expropriation in International Law* (1953), pp. 206-207.

and critics of De la Pradelle's project that it had to be dropped.

The issue was brought home even more strikingly in the same year when Uruguay and Bolivia introduced in the United Nations a resolution on the right of states to nationalize and freely exploit their natural wealth. As you may remember, this resolution, which initially contained no reference to compensation, precipitated a full-dress debate. Perhaps the highlight of the debate was the United States proposal for amendments that would write the rule of just compensation into the resolution clearly and explicitly.⁶ Although these proposals lost out and the resolution as adopted was something we did not care to endorse, the U.N. debate led to a thorough discussion of principle and full exploration of the undesirable implications of the idea of partial compensation.

Whether this was the turning point I would hesitate to say. It is important to note, however, that there has been a marked strengthening in attachment to the classical rule of just compensation since that time. This has occurred both in governmental circles and among international lawyers. In the latter case it is necessary only to compare the treatment of this subject at the Siena meeting with that accorded at the meeting of a comparable body, the International Law Association, at New York last September. The former ended in deadlock. The latter saw the adoption of a resolution, proposed by Lord McNair, declaring that the principles of international law establishing the sanctity of a state's undertakings and respect for the acquired rights of aliens require "payment of such full compensation to the alien . . . as may be determined by agreement between the State and the alien or, in the event of dispute, by an international authority possessing competence or jurisdiction in the matter."⁷ This resolution was approved by vote of all participating delegations except those of the Soviet bloc and of Indonesia.

This shift in the climate of opinion is gratifying indeed. It represents at least the start of the desired strengthening of this vital rule of property protection.

⁶ For text of a U.S. statement, see BULLETIN of Dec. 22, 1952, p. 1000.

⁷ International Law Association, *Proceedings*, 1958.

U.S. Policy on Classical Rule

It is particularly gratifying to the United States, for as a government we have sought to uphold and defend this principle both in specific instances where it has been challenged and in the development of our economic foreign policy as a whole. And, I am pleased to note, the great majority of international lawyers in this country have endorsed and supported these efforts.

It was during the controversy over the Mexican expropriations, as you may recall, that our Government made what may be regarded as the classic statement of the classical rule, when Secretary of State Cordell Hull wrote:⁸

The taking of property without compensation is not expropriation. It is confiscation. It is no less confiscation because there may be an expressed intent to pay at some time in the future.

If it were permissible for a government to take the private property of the citizens of other countries and pay for it as and when, in the judgment of that government, its economic circumstances and its local legislation may perhaps permit, the safeguards which the constitutions of most countries and established international law have sought to provide would be illusory. Governments would be free to take property far beyond their ability or willingness to pay, and the owners thereof would be without recourse. We cannot question the right of a foreign government to treat its own nationals in this fashion if it so desires. This is a matter of domestic concern. But we cannot admit that a foreign government may take the property of American nationals in disregard of the rule of compensation under international law. Nor can we admit that any government unilaterally and through its municipal legislation can, as in this instant case, nullify this universally accepted principle of international law, based as it is on reason, equity and justice.

Principles Equally Valid Today

These principles are equally valid today. They are, and will continue to be, the focal point of our efforts to protect the property of our citizens abroad. In fact, they have been reaffirmed in equally forceful terms within the past decade. In the controversy with Guatemala over expropriation of the agricultural properties of the United Fruit Company, for example, our adherence to these principles was expressed in these terms.

When states in the exercise of their sovereign prerogatives determine as a matter of policy to nationalize the

⁸ Green, H. Hackworth, *Digest of International Law*, vol. III, p. 656.

property of foreign states or their nationals, they are under the obligation to pay just compensation for such property.⁹

Further, as to the attributes of such compensation:

Just compensation may be defined as that compensation which . . . is "prompt", is "adequate", and is "effective"—otherwise the payment is not "just".

In matters of general policy even as in specific expropriation cases our Government has sought to advance these principles. In the course of the postwar treaty program it has followed a practice of negotiating long-term commitments on property protection that embody the classical rule of just compensation.

It further has attempted codification of the rule in order to give it explicit recognition in the most appropriate framework, namely, in treaties of friendship, commerce, and navigation, that is, in treaties designed to promote investment abroad and to protect it from unfair treatment. A typical clause is contained in paragraph 3 of article VI of the treaty with Japan, dated April 2, 1953:¹⁰

Property of nationals and companies of either Party shall not be taken within the territories of the other Party except for a public purpose, nor shall it be taken without the prompt payment of just compensation. Such compensation shall be in an effectively realizable form and shall represent the full equivalent of the property taken; and adequate provision shall have been made at or prior to the time of taking for the determination and payment thereof.

Sixteen other treaties negotiated by the United States contain similar unequivocal assurances of American investment against discriminatory treatment and make firm provisions for just compensation in case of expropriation. We are making every effort to increase the number of such assurances, and promising negotiations are currently in progress with a number of countries.

Not only has the Senate given approval to the treaties of this type, but the Congress as a whole has fully endorsed the negotiation of such treaties by providing in the Mutual Security Act of 1954, as amended, that the President shall

. . . accelerate a program of negotiating treaties for commerce and trade . . . which shall include provisions to encourage and facilitate the flow of private investment

⁹ For text of U.S. aide memoire, see BULLETIN of Sept. 14, 1953, p. 357.

¹⁰ Treaties and Other International Acts Series 2863.

to, and its equitable treatment in, nations participating in programs under this Act.

In addition to these treaties, the United States has a number of other bilateral agreements which indemnify the American investor with respect to certain of the political risks attendant on foreign investment. Thus, at present, foreign investments are eligible for Government guaranties against such risks as expropriation or confiscation by the foreign government. This type of investment guaranty program operates under the authority contained in section 413(b)(4) of the Mutual Security Act of 1954, as amended.

In my estimation these programs and policies have done much to improve the climate for this rule of law. And, as we have seen, this climate has improved measurably here and in other countries over the past several years. As we also have seen, however, this rule, regretfully, still lacks universal acceptance. A body of governmental and academic opinion still exists which is inclined to abandon the rule of adequate, prompt, and effective compensation in takings involving wholesale modification of the economic structure of the state.

Proposals for Multilateral Measures

It is in this atmosphere of partial acceptance that a number of proposals for concrete multilateral measures to protect foreign investment have been put forth in recent months. For example, the so-called Abs plan¹¹ contemplates an international convention for the protection of private property. It envisages specifically a multilateral convention designed to secure the inviolability of private property rights of aliens in all countries. The proposed convention, both in its original and revised versions, would establish strong rules for property protection, including rules for equivalent compensation in case of expropriation, limiting the right of expropriation, and forbidding acts by governments that would interfere with the use by aliens of their property. Property rights would be so defined that the guaranties of the convention would extend to the carrying on of most types of business

¹¹ Hermann Abs, a German banker, is head of the Society To Advance the Protection of Foreign Investments, which in 1957 proposed an international convention for the mutual protection of private property rights in foreign countries.

activities. Public utilities, public transport, utilization of nuclear energy, and production of implements of war would be excepted in part from application of the convention. Also, the convention, as first drafted, would have prohibited, in the case of future wars, the vesting of the property of enemy aliens. While subsequent modifications of the Abs plan are decidedly less ambitious, the latest draft appears to suggest that such idealistic solutions, however desirable, do not take due account of the political and legal problems that are bound to influence international consideration of such plans. Nonetheless, to the extent that they seek "to reestablish the full validity and recognition of the principle of inviolable private property rights," they follow closely the classical rule.

I should like also to mention a similar proposal which, like the Abs plan, has attracted considerable attention from businessmen here and abroad. This plan contains forthright commitments on compensation, which in fact take over some of the wording of our standard treaty provision. Again, like the Abs plan, it has undergone a number of modifications in drafting, principally to reduce the large body of new property rights and remedies for their impairment initially proposed. Even in this form, it appears quite certain that the proposal would encounter serious opposition. Apart from the fact that it would present legal problems for us, and perhaps others, there are practical difficulties in the way of obtaining wide acceptance of any strong multilateral convention on private property rights.

The various plans put forward in recent months express ideas in unequivocal language as to how property might be protected. They are ingenious, and on further study their deficiencies perhaps may be corrected. In any case they make it decisively clear that there is general concern over the deterioration of the classical rule and the imperative need for a return to the rule of law.

It does seem to me, however, that the proposed drafts go much further than the United States would be prepared to go at this time. While some of them borrow language from our friendship, commerce, and navigation treaties, important limitations in the latter have been removed. Removal of these limitations suggests most strongly that any of the proposals made thus

far would raise serious constitutional difficulties for the United States. The same may well be true of other countries, even those whose policies on the protection of the property of foreigners compare favorably with ours. Whether these proposals could be saved by appropriate modifications, so as to obtain widest acceptance, will depend largely on the kind of attention that is to be given to practical difficulties of this nature.

Difficulties in Multilateral Approach

Past experience with efforts to obtain acceptance of less far-reaching provisions indicates that these proposals would encounter most serious opposition. For example, the conference which met in 1929 under the auspices of the League of Nations failed because each country participating in the conference felt obliged to attach reservations which minimized the effectiveness of the proposed convention to such an extent that the project had to be abandoned.

Another attempt was the negotiation of the charter for the International Trade Organization, which, in order to accommodate varying philosophies, equivocated on certain fundamental principles, including the standard of compensation in case of the expropriation of property.

Still another attempt to secure multilateral agreement on protection of private foreign investment was made at the Ninth International Conference of American States at Bogotá in 1948. The economic agreement concluded at that time contained an article designed to secure protection for foreign investment. This article provided as follows:

Article 25. The States shall take no discriminatory action against investments by virtue of which foreign enterprises or capital may be deprived of legally acquired property rights, for reasons or under conditions different from those that the Constitution or laws of each country provide for the expropriation of national property. Any expropriation shall be accompanied by payment of fair compensation in a prompt, adequate, and effective manner.

This provision was unacceptable to a number of countries. Some appended reservations when signing the agreement. In the case of Ecuador the reservation read as follows:

Article 25 must be understood in the sense that the rule therein established must be subordinated to the constitutional provisions in force at the time of its appli-

cation, and that it is exclusively within the jurisdiction of the courts of the country within which the expropriation takes place to determine, in accordance with the laws in force, everything relating to the circumstances under which such expropriation must be carried out, the sum to be paid, and the means of executing such payment.

This reservation would have nullified the provisions of the agreement so far as they conflicted with provisions of the Ecuadoran Constitution as they might happen to be at the time of its application. The reservation also made clear that the compensation fixed by the Ecuadoran courts was final and could not be tested by the international law standard of just compensation in any litigation. Because it became impossible to remove reservations of the Ecuadoran type, the Bogotá agreement never entered into force.

A further attempt to secure multilateral agreement on protection of private foreign investment was made at the 1957 Economic Conference of the Organization of American States at Buenos Aires. The draft general inter-American economic agreement drawn up at that time provided in article 25 that:

Foreign private investments are regulated by the Constitution and laws of the country in which they are made, and are subject to the jurisdiction of the ordinary courts of that country.

The States agree to direct their policies and measures relating to foreign investments in accordance with the following points:

a. Foreign capital shall receive equitable treatment and no measures shall be adopted by virtue whereof such capital will receive discriminatory or inequitable treatment.

b. No measures shall be adopted, without justification or valid reason, that deprive the nationals of other countries of their legally acquired property rights in enterprises, capital, skills, arts, or technology.

c. If expropriation takes place, it shall be accompanied by the payment of a fair compensation in a prompt, adequate, and effective manner.

However, the conference prior to its adjournment adopted a resolution in which it recognized that unanimous agreement has not been achieved with regard to the basic and substantive points and decided that the Organization of American States in consultation with the Inter-American Economic and Social Council should continue the study of the draft agreement.

The record of the conference is clear that the objectives sought by the agreement were impossible of attainment at that time, although it seems equally clear that all participants in the con-

ference recognized the need for obtaining, to the greatest possible extent, the acquiescence of all the states comprising the American community.

It can only be said from the foregoing review that efforts through the multilateral approach to obtain acceptance of an agreeable rule have proved to be futile. It is reasonable to say that differences in legal systems, variations in national policies, and divergences in economic interests have created in each case difficult obstacles to the establishment of uniform principles applicable to each of the many countries concerned. I believe that in another multilateral conference we could expect opposing blocs to form, with the result that provisions sought to be adopted could be reduced to ineffectiveness, and that the net effect might be a setback to the protection of property and even to the rule of law as a whole.

Among the less developed countries of the world there is an emotional emphasis upon the sovereign rights to deal with matters of property according to their domestic law and in their own national tribunals. Attempts by the industrial countries of the world to establish an international regime for the protection of the property rights of their nationals would, on the basis of past experience, inspire a movement designed to emphasize the state's sovereignty over alien property within the national territory. An example of this sort of reaction was the nationalization resolution adopted by the United Nations General Assembly in 1952. Repeated attempts for assuring property rights in international conferences apparently have had the effect of weakening rather than strengthening them. The interest of the institution of private property is probably not well served by forcing its consideration in circumstances where it becomes the focus for all the extreme feeling against colonialism and economic imperialism.

Importance of Bilateral Arrangements

I do not wish to suggest that a multilateral convention is not desirable. From the evidence at hand, however, I am bound to conclude that for the present I see little chance that a meaningful convention could be successfully negotiated. I feel that we must continue to strive for universal acceptance of the rule and that for the moment we are doing our part through bilateral arrange-

ments of the type I have mentioned. The more agreements the United States can conclude on a bilateral basis, the closer we shall be to a universal recognition of the rule. It is in this context that we have sought to do our part to bring back the rule of law to its early eminence. Our efforts abroad have strengthened private enterprise. They have also safeguarded private property. Also, to those countries which have sought our advice we have given assistance in the development of good investment legislation.

Indeed, it is regrettable that the multilateral convention approach appears unpromising for some time to come. No possible way of strengthening the rule of law in this vital field should be left unexplored, and certainly we shall not prejudge any proposal for a multilateral code of fair treatment for investments but will examine each with objective care. Nonetheless, we would be wrong to overlook what must necessarily be the governing consideration. In matters of property protection, no code would be better than a bad code.

I believe I share this view with Congressman [James G.] Fulton of Pennsylvania, who spoke before you just a year ago on the legal problems of international private enterprise. He expressed equal skepticism, not as to the value of multilateral commitments but as to the practical likelihood of obtaining satisfactory ones. He counseled that we press forward with a program for obtaining such commitments in bilateral treaties, for in his view each such agreement "strengthens the rule of international law in this vital area and hastens the day when these rules and principles can receive the sanction of the world community in an effective multilateral code."¹²

Role of International Lawyer

I concur. But there is the question of what more can be done, and, specifically, what more can be done to strengthen the force and influence of the classical rule of just compensation. It strikes me that here is an important work for the American international lawyer and his foreign colleagues. Their role is clear. It is to counteract attacks upon this fundamental principle by those who would compromise it. I say this deliberately,

¹² American Society of International Law, *Proceedings*, 1958, p. 204.

for partial compensation is a compromise with principle.

However, there are indirect as well as frontal attacks on this principle. There is the phenomenon of "creeping confiscation." There are other equally invidious techniques. There is, for example, the compensation that is not compensation at all but merely paper promises: long-term bonds, blocked currencies, or other objects of uncertain or questionable value. And perhaps most damaging of all is the device whereby everything is taken except the bare title. The injustice of these measures is grave enough when they occur in the course of fundamental alterations of the economic or social structure. That injustice is compounded when they are inspired by purely political motives, when, to cite a current example, private property is taken as part of a campaign to force a solution of a dispute over contested territory. Here again the role of the international lawyer is clear. It is to counteract such attacks as well.

In doing so, he will do the rule of law a great service by emphasizing something which all too often is ignored: the solid grounding of the classical rule in considerations of reason, equity, and justice. He will do it an equally great service by emphasizing as well the consequences that inevitably flow from breach of this rule. One such consequence was trenchantly stated in the United States representation to Guatemala in the United Fruit Company expropriation:

The obligation of a state imposed by international law to pay just or fair compensation at the time of taking of property of foreigners cannot be abrogated from the international standpoint by local legislation. If the contrary were true, states seeking to avoid the necessity of making payment for property expropriated from foreign nationals could avoid all pecuniary responsibility simply by changing their local law. Every international obligation could thus be wiped off the books. But international law cannot thus be flouted. Membership in the family of nations imposes international obligations.

Another such consequence has implications not only for the rule of law but even for the material well-being of the world community. Perhaps this has been best expressed by one of the founding members of this society, Chandler P. Anderson, who over 30 years ago pointed out that the principle which safeguards foreign-owned property from confiscation

... has become a part of the law of nations not merely because it represents a universally recognized

standard of justice, but also because it is absolutely essential for the welfare of every nation, for without its protection no commercial, or financial international intercourse could safely be carried on.¹³

This counsel still holds true, and all countries, whatever their stage of development, would do well to heed it.

John Foster Dulles Library Established at Princeton

The Department of State announced on May 16 (press release 337 dated May 15) the establishment in the Princeton University Library of the John Foster Dulles Library of Diplomatic History, centering around the papers of the recently retired Secretary of State. The Department of State and Princeton University simultaneously announced an agreement concerning the establishment at the new library of a collection of copies of official documents of the Department of State relating to Mr. Dulles' tenure as Secretary.

At the same time, Robert F. Goheen, president of Princeton University, announced Mr. Dulles' gift to Princeton of his own personal papers covering his long career in diplomatic and international affairs.

To house these collections a group of Mr. Dulles' friends is providing for the construction, furnishing, and maintenance of a new wing of the Princeton library. The John Foster Dulles Library will provide one of the Nation's major resources for scholarly research in American diplomatic history, especially since the Dulles collection will be housed with Princeton's extensive collections of the papers of other American statesmen, including Woodrow Wilson and James Forrestal.

The collection of official documents, which consists of microfilmed copies of original documents in the Department of State, will present an accurate picture of the 6 eventful years in the field of foreign affairs during Mr. Dulles' tenure as Secretary of State. Copies of documents collected under this project will be located in Princeton University under approved safeguarded conditions as prescribed by applicable laws and Executive or-

¹³ Chandler P. Anderson, "Bases of Law Against Confiscating Foreign-owned Property," *American Journal of International Law*, vol. 21, p. 526.

ders, and these copies will, in all respects, be subject to the same restrictions, limitations, and controls as are the original documents in the Department of State. Title and control of these copies will remain with the Federal Government until such time as all classification and restrictions have been removed from the original documents.

The purpose of establishing this collection now is to bring together in one place, while events are freshly in mind and participants available for consultation, a meaningful group of documents even though most of them will not become available for research for a number of years. Scholars seeking access to Mr. Dulles' personal papers, once they are annotated and completely organized in the new wing, must receive through the Princeton University Library the written approval of Mr. Dulles or his representatives.

U.S. Ambassadors in South America Conclude Talks at Santiago

*Following is a statement released at the conclusion of a conference held at Santiago, Chile, May 7 to 9, of the U.S. Ambassadors to Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay, and Venezuela.*¹

The ten United States Ambassadors serving in South America met in Santiago, Chile, from May 7 to 9 under the chairmanship of Deputy Under Secretary of State Loy W. Henderson and Assistant Secretary for Inter-American Affairs Roy R. Rubottom, Jr. The purpose of the meeting was a general exchange of views upon matters of interest to the United States and its relations with the sister Republics of the continent and with the hemisphere generally. A similar conference was held last month in San Salvador with particular reference to matters affecting the Caribbean and Central American area.²

The conference discussed reports on the increasingly important role being played by the Organization of American States in maintaining peace and promoting economic progress in the hemisphere. The participants expressed their

¹ For an announcement of the meeting, see BULLETIN of May 11, 1959, p. 665.

² *Ibid.*, May 4, 1959, p. 634.

particular gratification at the prompt collective action taken by the OAS recently at the request of Panama to frustrate an armed invasion.

Much of the conference was devoted to discussions of the cooperative measures which may be taken to attack the economic problems of South America and of the ways by which the United States might most effectively contribute to the strengthening of the economies and the democratic institutions in the hemisphere.

The participants welcomed the further progress in "Operation Pan America" made by the Committee of 21 in its recent meeting in Buenos Aires. Mr. T. Graydon Upton, Assistant Secretary of the Treasury, reported on progress on the Inter-American Development Bank and its role in the economic development of the continent.³

The conference also discussed the problems posed by international communism in the area. They noted that the recent trips of Latin American Communist party leaders to Moscow and Peiping, the evidence recently uncovered in several countries of external support of Communist intervention in the internal affairs of American states, and the sustained opposition of Latin American Communist parties to the efforts of Latin American Governments to strengthen their economies were among the evidences of an intensified effort by international communism to undermine the unity of the hemisphere.

Those participating in the Santiago session expressed their appreciation of the warm hospitality extended by the Chilean officials and people. They were especially grateful to His Excellency Doctor Germán Vergara, the Minister of Foreign Affairs, for his attendance at the opening session and for his words of friendly welcome.

Development Loans

Israel

Signing of a loan agreement at Washington, D.C., on May 12 by which the U.S. Development Loan Fund will lend \$5 million to the Israel Industrial Institution Ltd. to help finance the expansion of small private enterprises in Israel through medium- and long-term loans was an-

nounced on May 12 by the Department of State. For details, see press release 323.

Nicaragua

Signing of a loan agreement at Managua, Nicaragua, on May 7 by which the U.S. Development Loan Fund will lend \$600,000 to the Municipality of Matagalpa, Nicaragua, to assist in the improvement of water-treatment and water-carrying facilities was announced on May 12 by the Department of State. For details, see press release 324.

Wheat Exporting Nations Hold Food for Peace Conference

Following is the text of a joint communique released at the close of the Conference of Major Wheat Exporting Nations on May 6.

White House press release dated May 6

The Conference of Major Wheat Exporting Nations convened by United States Secretary of Agriculture Ezra Taft Benson, implementing President Dwight D. Eisenhower's instructions to explore means of utilizing food "in the interest of reinforcing peace" took place in Washington May 4-6, 1959. The Governments were represented by the following Cabinet Members or Heads of Delegations:

For Argentina :	Rafael Garcia-Mata Under Secretary of Agriculture Buenos Aires, Argentina
For Australia :	Sir John Crawford, Secretary Department of Trade Canberra, Australia
For Canada :	Hon. Gordon Churchill Minister of Trade and Commerce Ottawa, Canada Hon. Douglas S. Harkness Minister of Agriculture Ottawa, Canada
For France :	His Excellency Herve Alphand Ambassador of France Washington, D.C.
For the United States :	Ezra Taft Benson Secretary of Agriculture Department of Agriculture Washington, D.C.

³ For background, see *ibid.*, p. 646.

C. Douglas Dillon
Under Secretary of State
Department of State
Washington, D.C.
Clarence L. Miller
Assistant Secretary of Agriculture
Department of Agriculture
Washington, D.C.
Laurence B. Robbins
Assistant Secretary of the Treasury
Department of the Treasury
Washington, D.C.

The Director-General of the Food and Agriculture Organization of the United Nations, Dr. B. R. Sen, participated in the discussion.

In addition to the delegates, senior officials of the five governments and F.A.O. were present.

In opening the Conference, Secretary Benson emphasized the need for the food surplus nations to increase their already considerable efforts to assist those peoples in need of additional food. He invited the participants, in the broad definition of President Eisenhower's statement, to join with the United States in studying possibilities for improving existing programs and engaging in new undertakings to increase the utilization of food.

Secretary Benson outlined plans of the United States to achieve more effective utilization of wheat to alleviate hunger, promote economic development, increase world consumption and expand commercial markets, which will be the subject of a separate United States release.¹ He pointed out that there would be close consultation with the other wheat exporting countries to ensure adequate protection of their commercial marketings. At the same time, he emphasized that this did not in any way imply a change in the Administration's policy to seek ways to reduce incentives which result in overproduction and the accumulation of surpluses.

The Conference examined, in the light of principles established under F.A.O. auspices, a wide range of subjects related to world trade and the use of food, particularly wheat, for humanitarian and development purposes in the less developed countries.

The Conference recognized the importance of adequate food supplies to all nations. These ex-

porting countries share a feeling of responsibility to assist, within their capabilities, the efforts of other nations to achieve this goal.

In a review of food availability and world food needs it was recognized that the commercial export marketings of wheat by the countries represented, even though expanded some what, probably would be considerably below their combined capacity to supply for the next few years. In fact, unless there are striking changes in wheat production patterns and trends in the major exporting and importing countries, it will take larger movements of wheat than in recent years to prevent further accumulations of surplus supplies in exporting countries. The Conference also recognized that the real food needs of many underdeveloped countries exceed their ability to buy, and could only be satisfied commercially after a period of economic development. The wheat exporting countries do, therefore, have a very real interest in market development, in sound economic development, and in the possible use of surplus wheat in ways which will contribute to healthy economic growth and assist in emergencies.

All these wheat exporting nations, according to their individual capacities, have contributed wheat to assist other countries in past emergencies, or are doing so now.

The importance of commercial trade in wheat as a desirable force in world development was stressed. The Conference discussed means of promoting the growth of such trade to mutual advantage of exporting and importing countries. There was agreement on the necessity of safeguarding the interests of all wheat exporters in their existing commercial markets and of assuring the natural growth of the commercial world market.

In the review of existing and possible means of utilizing wheat supplies in excess of commercial marketings, it was recognized that many of the surplus disposal measures developed to date have had, as important objectives, the promotion of specific economic development projects in the recipient countries and the improvement of nutritional levels—objectives to which all major wheat exporting countries subscribe. It was agreed that these objectives are not always easily attained; that there is a need for considerably greater study

¹ Not printed here.

of the manner in which efforts in this direction can be made most effective; and that studies and actions in this field should be directed toward:

1. Projects to raise consumption directly among specially deficient groups in the population, as, for example, through direct feeding programs, such as school lunch projects, refugee feeding and resettlement, and related economic and community development projects.

2. Projects to aid economic development, on a basis which will permit most effective use of national currency funds accruing from sales of surplus foods.

3. Projects to establish national food reserves utilizing existing idle storage facilities or newly-constructed ones.

The Conference took a realistic view of the situation. It recognized that the world wheat supply situation and levels of prices are disturbed by the stimulation of production, in most importing countries as well as in some exporting countries, by high price supports and other measures. In this connection, it was noted that some exporting countries have made, and are making, efforts to reduce incentives to over-production.

It was realized, also, that moderate increases in total distribution and utilization of wheat can be attained within the next few years with increased efforts by exporting and importing nations. There are physical and administrative limitations to the importation and distribution of wheat in many importing countries. Inadequate distribution facilities and lack of trained personnel can create bottlenecks which can prevent adequate food from reaching people who need it. Balance of payments problems may require consideration also. It will take time and effort, in addition to food and investment, to offset these limitations.

The Conference attached great importance to

arrangements for ensuring the consultation required for attainment of the agreed objectives. It was decided therefore to establish immediately a Wheat Utilization Committee which will be a consultative body of governments represented at the Conference and which will be composed of Ministers or officials having policy responsibilities.

The Committee will consult, as appropriate with representatives of recipient and other countries. It will maintain a close working relationship with the Food and Agriculture Organization of the United Nations.

The Committee activities will include consideration of the following:

1. Possibilities of expanding the world's commercial trade in wheat, including the development of new markets.

2. Ways of increasing and making more effective the utilization of wheat surpluses for the promotion of economic development and the improvement of nutritional standards.

3. Coordination of disposal programs for economic development with other development activities in the recipient countries so as to ensure that such programs will contribute fully toward increasing consumption and commercial markets.

4. The establishment of guidelines for providing wheat to individual countries on concessional terms and the safeguarding of commercial marketings.

The Conference invited Secretary Benson to convene the first meeting of the Committee at an early date.

The Conference resulted in a better mutual understanding among the participants of their countries' policies, problems, and proposed actions. There was discussion of the advantages of holding similar consultations on other food commodities and with other nations.

An Interim Review of the U.S. Military Assistance Program

Following is a letter from President Eisenhower to Vice President Nixon, together with the text of an interim report by the President's Committee To Study the United States Military Assistance Program. An identical letter, with a copy of the report, was sent to Representative Sam Rayburn, Speaker of the House of Representatives.

PRESIDENT'S LETTER TO MR. NIXON

White House press release dated April 29

APRIL 29, 1959

DEAR MR. VICE PRESIDENT: In my Mutual Security Message last month,¹ I stated that the bipartisan Committee to Study the United States Military Assistance Program would soon render an interim report, and that after study of this report I would submit to Congress such recommendations thereon as I should deem appropriate.

The Committee, composed of eminent Americans, has made an excellent study of the grave perils inherent in Communist military, economic and political activities throughout the world. It has pointed out that without a continuing and effective Mutual Security Program our single and unthinkable alternative is "to seek survival in isolation—a state of siege—as the world continues to shrink." The Committee has highlighted the necessity for a truly mutual effort, and after firsthand observation by its members has noted the important strengthening of the free world through our assistance—assistance which strengthens us as it strengthens our allies.

Rightly the Committee has emphasized the need for modernization of free world military forces,

particularly in the NATO area. It has recommended a substantial increase in the level of commitments in Fiscal Year 1960, pointing out that such an increase would not involve a significant increase in expenditures during that year. I believe, with the Committee, that NATO force modernization must go forward as rapidly as sound decisions permit.

The unanimous findings of the Committee in its interim report confirm the imperative need for Congress to authorize and appropriate the full amount requested for both economic and military assistance in the Mutual Security Program for Fiscal Year 1960. With this full amount available, I shall, in support of the Committee's recommendations, direct full use of the flexibility which Congress has wisely provided in the Mutual Security Act, including the Contingency Fund. Progress to implement the Committee's recommendations can be made in this way. Nonetheless, even including these measures, as well as our continuing efforts to improve the operational efficiency and economy of the program, it may well be that the carrying out of essential equipment and training programs, including the force modernization recommended by the Committee, will require additional authority to obligate funds in Fiscal Year 1960. Undoubtedly more funds will be required should the Congress fail to appropriate the full amount already requested.

Late this fall, I shall review the then-current status of our efforts to implement the Committee's recommendations. This review will encompass then-existing world conditions as shaped by developments over the next few months, the rate of force modernization, particularly in the NATO area, and, of course, the progress of 1960 procurements for NATO and other areas. In the light of this review, I will make appropriate recommenda-

¹ BULLETIN of Mar. 30, 1959, p. 427.

tions to the Congress. This review will enable me to take full account of the Committee's recommendations also in the formulation of the military assistance budget for Fiscal Year 1961.

I again emphasize that the program already before the Congress is the minimum required to support our own nation's security and the common defense of the free world.

I enclose the Committee's Interim Report for the earnest consideration of the Congress.

Sincerely,

DWIGHT D. EISENHOWER

The Honorable RICHARD M. NIXON
The President of the Senate
Washington, D.C.

COMMITTEE'S LETTER OF TRANSMITTAL

MARCH 17, 1959

DEAR MR. PRESIDENT: Your Committee has completed its preliminary analysis of military assistance and related economic aspects of the Mutual Security Program. We have advised you informally of our preliminary conclusions and we now present them in written form. You will note we unanimously recommend that an additional amount should be made available for military assistance in Fiscal Year 1960, mostly for the area of the North Atlantic Treaty Organization (NATO). In our judgment, the economic assistance requested for the same year is the minimum required, and increased funds for economic development will be needed in subsequent years.

In our final report we will deal with what we think needs to be done over the longer term in organizing a more effective mutual security effort and will outline the desirable scope and nature of that effort.

In transmitting our interim conclusions we invite your attention to our unanimous belief that a basic issue of foreign policy underlies the questions that you have submitted to us, and that there is an urgent need for its early resolution.

Simply put, the issue is whether we intend to seek survival in isolation—a state of siege—as the world continues to shrink. This would be the inevitable result if we fail to take vigorous action on mutual security. The positive course—much more in the nature of our people—would be to accept fully the great responsibilities which our

generation has partly inherited and partly earned.

This is not a new issue. It is an old one, but the new feature is that time to settle it is running out.

What we do this year is an important step in one direction or the other. By forthright and affirmative action we can set the example expected of us. The penalty for failure to do so can well be the beginning of the end of the free world coalition, and the gradual isolation of America. For there can be no doubt that the free world is gravely threatened by the aggressive onslaught of a powerful and determined opponent—the Sino-Soviet communist bloc. There is no precedent in history for the enormity of the threat.

Our strong military forces, supported as they are and must continue to be by a sound economy, constitute but a portion of the total resources which oppose the communist threat. The remaining elements are the capabilities of the other nations of the free world whose clear and obvious desire is to remain free. These nations have varying degrees of ability to support enough military strength to resist communist take-over. For a number of years our nation has aided many of them in their efforts to strengthen their military forces and to develop economies which could ultimately support their own forces. There is indeed no precedent in all history for what our country has done under the mutual security programs.

This course of action has involved the employment of substantial U.S. resources for military and economic uses in other countries. This now amounts to somewhat less than one per cent of our annual gross national product.

The increasing intensity of repeated and bitter attacks on the foreign assistance programs by their articulate critics raises the basic question as to whether these programs are more useful implements of national security policy than equivalent efforts and resources devoted to other uses. The only alternative we can see to the interdependent allied free world, strengthened by our aid where needed, would be the Fortress America concept—taking our first stand in the last ditch.

We are all convinced that the Mutual Security Program both in its military and in its economic aspects is a sound concept. What is needed is the determination to continue it and the ability to administer it well.

The administration of this Program has been

imperfect in some respects. We in America are novices at many of the tasks which befall us in our unprecedented position in world affairs, for in history's perspective these tasks have occupied us for a relatively few years. We have not developed the well trained corps of personnel required to carry out such a far flung program with absolute efficiency. Some projects have been imperfectly conceived, inadequately planned and poorly executed. On the other hand most projects have been well conceived and successfully carried out. Additionally, we have developed many competent administrators, though it may be years before there are enough such people in the program to provide a level of efficiency comparable to that which we see in business affairs and in other American endeavors. Meantime, while each blunder seemed worth a headline, the successes have made little news.

Nevertheless, we have seen, with substantial contributions from the Marshall Plan and from our mutual security and other efforts, the rebuilding of Europe and Japan, the development of powerful allies in NATO and the strengthening of the nations around the periphery of the Sino-Soviet bloc. We have seen slow but heartening progress in some parts of the less developed third of the world. With better internal security and a greater ability to defend themselves, peoples in these areas have acquired a growing confidence in their future. This is indispensable to economic development. Thus, despite imperfections of the programs, we have seen greater strength come to free world nations with the help of our aid. We do not now stand alone.

The choice our country faces is very real and near at hand. In our fascination with our own mistakes, and the constant use of foreign aid as a whipping boy, we may be gradually choking this vital feature of our national security policy to death.

The United States should commit itself to go ahead with a constructive program in this whole field, both military and economic, or alternately determine that we should no longer undertake the program.

We believe strongly that the doubts about the program and the policy it supports should be resolved affirmatively in the context of a longer term outlook, and not be left to year-by-year uncertainty as to what course our country will follow.

At the same time all of us must realize that ultimate success depends on something more than the dollars and military equipment of our aid programs. It also depends on our ability to maintain and strengthen, along with other nations, the political and economic bases of our free world relationships. We can truly succeed only if we have the full confidence and willing cooperation of our friends and allies.

We recommend, Mr. President, that every effort be made within the legislative and executive branches of the Government to bring clearly before the American people the relationship between the Mutual Security Program and the national interest, and the need for continuity of this program if it is to make its required contribution toward our world position of strength.

Respectfully yours,

WILLIAM H. DRAPER, JR.
Chairman

DILLON ANDERSON	JOSEPH M. DODGE
ALFRED M. GRUENTHER	MARX LEVA
JOHN J. McCLOY	GEORGE MCGHEE
JOSEPH T. McNARNEY	ARTHUR W. RADFORD
JAMES E. WEBB	

THE PRESIDENT,
The White House,
Washington 25, D.C.

TEXT OF REPORT

PRELIMINARY CONCLUSIONS OF THE PRESIDENT'S COMMITTEE TO STUDY THE UNITED STATES MILITARY ASSISTANCE PROGRAM SUBMITTED TO THE PRESIDENT WITH THE COMMITTEE'S LETTER OF MARCH 17, 1959.

The Committee appointed by you has made its preliminary analysis of the United States Military Assistance Program. Previous studies of the program made by the Congress, the Executive Branch and others have been taken into account. We have consulted governmental, business, academic and private agencies and individuals. Members of the Committee have visited all of the major areas of the world which participate in the Military Assistance Program.² While our

² For an announcement of the departure of three area study groups, see *ibid.*, Feb. 9, 1959, p. 197.

work is not complete, we submit our findings thus far in response to your wish that they be available in connection with recommendations you may wish to make to the Congress.

The World Situation

The Committee believes that the Military Assistance Program must be determined primarily in the light of three main considerations:

First, the mighty challenge to the free world posed by the great strength of the Soviet Union and Communist China and their continuing determination to dominate the world.

Second, the revolutionary changes taking place in many areas of the world still free of Communist control, generally classed as "less developed", many of which have only recently achieved their independence.

Third, the ability and willingness of the United States to sustain the expenditures involved in such a program together with its own defense requirements while preserving a sound domestic economy.

The Communist dominated countries contain about one-third of the world's population, and the less developed countries above referred to constitute more than another one-third. This fact indicates the scope of the problem.

We are convinced that there has been no lessening of the total Communist threat to the survival of the free world. In fact, Soviet-Chinese capability to apply military, political and economic pressures is expanding. This is evidenced by its arms assistance programs, by an aggressive propaganda and political drive directed particularly to the weaker economic areas of the world and by a vigorous economic offensive in those areas. It is indisputable that Communist military strength is steadily increasing. Clear evidence has recently appeared of an intent to wield that strength in order to obtain political objectives. The attack on Quemoy, the threats of atomic destruction, and the talk of possible war over West Berlin, are the most dramatic recent instances of the continuance of the military threat.

Need for Long Term Program

The challenge is a powerful one. It is a long term challenge requiring long term methods to meet it. The United States, together with its

allies and friends, certainly has the wisdom and the resources to win. But we must be resolute in taking the necessary action.

While every effort should be made to reduce the tensions which are implicit in this challenge, we fail to find in the present situation any promise of relaxation of those tensions. Unless progress is made in the way of general disarmament or in moderating the objectives of the Sino-Soviet bloc, we shall have to face a protracted period of international tension.

Now that the United States no longer has a monopoly of long range nuclear weapons, any weakening of our support to outlying allied positions makes the danger of local aggression even greater, and accordingly the Military Assistance Program becomes even more essential to our security.

The time has come to face the facts of both the long term nature of the struggle and what we must do to assure survival and ultimate victory. We believe strongly that the attainment of United States objectives in the Military Assistance Program has been impaired by the lack of continuity in the authorization and administration of the program. The present methods, we find, interfere with the meshing of the plans and the resources of the recipient countries with our military assistance programs, materially delay deliveries, increase costs, and sometimes even prevent the accomplishment of our objectives.

The Committee therefore believes it is essential to the achievement of the program's basic objectives, and to the flexibility necessary to meet new threats and new challenges, that the country recognize its long term nature. Legislative and administrative steps must be taken to put the program on a continuing basis. We are convinced that this would not only improve the effectiveness of the Program, but its economy as well.

Such a long range program would have important imponderable advantages. We believe it would strengthen the deterrent vis-a-vis the Soviet Union, it would improve the confidence of our allies and result in greater willingness to make longer range commitments and to devote a larger element of their resources to the common defense.

Free World Defense

The free world's far flung defense perimeter is manned jointly by allied and United States

forces and extends through Middle Europe, the Middle East, and around the rim of Asia to the Northern Pacific. The weapons for the allied forces defending this perimeter have very largely been furnished by our Military Assistance Program. It is a very wide area important to our security. The nations of this area, without our help, cannot defend it. Together we do have the strength. Within this perimeter are the homelands of our friends and allies and the means by which we together can maintain mutual bases, room for maneuver, defense in depth, and unrestricted use of the seas. This forward area, manned largely by allied forces, defends a complex of dispersed air bases which materially strengthen the effectiveness of our strategic deterrent. If strong and well armed forces hold these perimeter positions, then, in the event of local aggression, our friends, our allies, and we ourselves gain time for reinforcement, and equally important, for political action. These forces in being give the free world advantages should war come; but more importantly, they represent a major deterrent to aggression and an opportunity through negotiation to avoid war itself. Also, the capacity of these forward allied forces to meet limited attack, as recently demonstrated at Quemoy, provides another and much more acceptable alternative than surrender or resort to atomic warfare.

North Atlantic Treaty Organization

Our most important alliance and the one in which we have our largest investment is NATO. NATO includes Canada and the United States and—extending across the Atlantic to the Mediterranean—encompasses most of Western Europe. Western Europe is an area of more than one million square miles, 250 million people and great resources. It contains an accumulation of some of the highest managerial and technical skills in the world, to say nothing of its being a great repository of the arts and culture of the world. It is emerging, for the first time in history, as an integrated unit. Combined it has potentialities that approach the strength of the United States. Its unity today is being forged by increasing economic ties which may, in the not too remote future, involve closer political association—a post World War II development comparable in its significance to the rise of Soviet power and the development of China.

The first and the basic expressions of European unity were in terms of United States–European cooperation in the Marshall Plan and the common defense effort of NATO. The present NATO structure, appreciably strengthened by military assistance, is potentially a great defensive force against Communist pressures. Our NATO allies will continue to require our aid to achieve the necessary strong and well integrated defense.

The impact of technology on the development of new weapons has recently made it necessary from the overall NATO as well as the United States standpoint to make large new investments in modern types of planes and other weapons, including strategic and tactical missiles in Europe. These modern weapons represent an invaluable addition to the already existing deterrent capabilities. At the same time, an incident like the current Berlin crisis demonstrates the need to support resolute statements with actions. It underlines the extremely sensitive nature of the European situation and the fact that forces with a flexible capability are essential. Any further advance by the Soviets in Europe would be a disaster for the entire free world.

The developing political, economic and technological situation makes the unity, strength and defensive versatility of NATO increasingly important. While our allies are moving to share in production of some of the more modern and expensive weapons, most of these are currently being produced only in the United States. The Committee is convinced that the present situation requires adequate provision of modern weapons to other countries of NATO, and also greater mutual effort during the next fiscal year to maintain a strong position in other weapons and to meet the existing obsolescence and replacement problem.

Other Areas

We recognize that our mutual defense effort in less developed countries in direct contact with Communist forces is particularly difficult, though vital to them and to ourselves. Unless these countries have adequate holding forces, they cannot hope for timely help short of the most drastic military action by their allies. Situated on the front line and with examples of recent Communist aggression in mind, their leadership, with which we live on a cooperative basis, wants to have the forces they judge adequate to their particular circumstances.

Without the weapons and support we have furnished to the SEATO and Baghdad Pact nations, and to other Asian nations adjacent to the Communist bloc, their own direct defenses and our own position beyond our shores would have little substance short of a major nuclear effort. Large forces far beyond the capacity of these countries to maintain need to be supported in Korea, Taiwan and Vietnam, since they are not even formally at peace with the Communist power they face. In our judgment some increased air strength, replacement of obsolete equipment and a degree of weapons modernization are needed in the Far East area.

We believe that changes and modifications in certain of the military assistance programs can be justified in terms of more selectivity in allocating military assistance to fulfill essential objectives. In programming our mutual defense efforts, we and our allies have to give full consideration to geographic location, to national characteristics, and to many other local, regional, and historical problems.

However, in making any changes, we are faced with the fact that existing treaties, commitments, and programs cannot be easily or quickly modified. Any abrupt or substantial changes by the United States could easily be misunderstood and could produce a whole new series of complicated negotiations and readjustments in our relations with friendly countries and allies.

The Pipeline—Unexpended Balances

In view of the time required to produce and deliver military hardware, the amount of funds appropriated for Fiscal Year (FY) 1960 will not greatly influence the amount of expenditures or deliveries until 1961 and later. We and our allies have the problem of proceeding with a progressive re-equipping of forces abroad that were equipped years ago with weapons that are now wearing out or are becoming obsolete. There is every indication that the initial and maintenance cost of modern weapons will be substantially higher in the future. A partial offset is the fact that several of our NATO partners are now able to pay most or all of the costs of their forces and weapons. Consequently, it should not be necessary to return to the delivery levels required for the first round of initial equipment of several years ago which reached a peak of \$4 billion in

1953. It seems clear to us, however, that expenditure levels estimated at \$1.85 billion for FY 1960, and the even lower levels in FY 1961 and FY 1962 which would result from the proposed appropriation of \$1.6 billion for FY 1960, are inadequate. They would not permit the United States to make the contribution necessary for the modernization of NATO forces now underway, and to help maintain effective forces in other parts of the world.

We believe not only that deliveries must be maintained at higher future levels than would be supported by the \$1.6 billion proposed appropriation, but that certain factors now operative may result in longer lead times and a consequent need for increased funding. A larger part of future deliveries for military assistance will come from new production and less from the existing inventories of our own forces. Also a greater proportion will consist of advanced weapons requiring longer time to produce. In addition to these factors, the long decline in obligated but unexpended balances from over \$8 billion a few years ago to about \$2.5 billion at the end of this fiscal year, has brought these balances to about the minimum level for funding the needed procurement. We cannot any longer rely on large drawdowns from this pipeline to supplement current appropriations. In summary, deliveries in future years, on the average, will approximately equal the current flow of appropriations. We view with concern the projected sharp decline in the rate of deliveries below the \$2.4 billion average level of recent years.

Military Assistance Program for Fiscal Year 1960

Your letter³ calls for our general conclusions respecting the FY 1960 program. A review of the strategy and objectives of NATO and the requirements which have been outlined to us by the various commands in other areas of the world convinces us that it would be less than prudent if we did not maintain something more than the level of the FY 1959 and the FY 1960 programs. Our conclusion is reached on the basis of our trips, our studies, and the presentations which have been given us, as well as upon some consideration of

³ For text of a letter from President Eisenhower to Mr. Draper outlining the purpose and scope of the committee, see *ibid.*, Dec. 15, 1958, p. 954.

what additional modern weapons should be funded in FY 1960.

We conclude from our area studies and from the pipeline analysis presented above, as well as from our many discussions in Washington, that an additional amount in the order of \$400 million, primarily for NATO, should be available for commitment in FY 1960 in addition to the program already proposed. Representatives of the Executive Branch have assured us that suitable weapons can be contracted for in that fiscal year to cover some of the shortfalls in force modernization which would otherwise occur. Even this increased level would not maintain the rate of deliveries in future years which we believe will be necessary.

The Committee must of course leave to the Executive Branch the determination of additional specific weapons and other assistance to be programmed. In view of the long lead time required for the type of weapons which would be so provided, the action we propose should not change significantly the estimated expenditures in FY 1960.

Economic Aid Program for Fiscal Year 1960

In accordance with your instructions, the Committee has considered the impact of our Military Assistance Program, where it appeared to be a significant factor, on the economic betterment and growth of the free world. It has also endeavored to assess the relative emphasis which should be given to military and economic programs, particularly in the less developed areas.

Economic assistance serves two main purposes: First, our own military defense requires effective forces in the hands of our friends and allies, which, in turn, depend in large measure on the stability of the underlying economic base of the individual countries. Secondly, our security requires that both our allies and the uncommitted countries have an opportunity to solve their pressing economic problems within the framework of the free world. Without such an opportunity, some of them would offer an easy target for communism. They are not only being attracted by well contrived offers of assistance from the Communist bloc, but they are also impressed by the economic achievements of Russia and Communist

China, without always fully understanding the real cost in human misery.

We recognize that some of our military allies among the less developed countries are unable to support their part of the common military effort without economic defense support assistance. Members of the Committee have visited the major countries receiving such aid. We have been able to review the program in some detail and believe it to be programmed to an austere level which it would be dangerous to reduce. The same reasons which lead this Committee to recommend placing military assistance on a continuing basis apply with equal force to the closely related defense support.

Defense support serves effectively to "cushion" the economic burden of military forces supported by the United States, with the result that the normal economy of the country, and prospects for economic development, are not adversely affected. As long as this balance is achieved, military assistance and additional funds for development assistance are, in effect, independent variables and should be considered on their respective merits, and not as competitors. Money should be appropriated for each to the extent that it is considered in the United States' interest in achieving free world security.

In some countries the Committee believes that under certain conditions there is a reasonable possibility that military expenditures by the United States or the country concerned could be reduced. Problems, of course, arise in obtaining acceptance by sovereign nations of our view. No important needs for increases in defense spending now exist among most of the less developed countries, although this could change with circumstances.

The fostering of economic growth throughout the free world presents a real challenge to the American people. Here is a positive goal which is consistent with our long term economic interests and at the same time provides an opportunity to further the free political development of other nations. This opportunity calls for a cooperative effort by the United States and other nations which can generate export capital. There is need for both public and private financing, and for multilateral and unilateral programs, with increasing emphasis on loans rather than grant aid.

The precarious situation throughout the less

developed countries leads us to conclude that the total FY 1960 budget for economic assistance is the minimum required.

In its final report, the Committee expects to examine this question more fully; however, as an order of magnitude, we believe that loans for economic development under the Mutual Security Program will probably be needed at a rate of at least \$1 billion a year by FY 1961.

The Cost of the Mutual Security Program

We have considered the burden of financing these programs upon the economy of the United States. Its military and economic strength is a bulwark of the free world alliance. Our economy is carrying a heavy burden and the amounts involved in the Mutual Security Program are a part of that burden. These amounts are substantial but they represent a relatively small proportion of our resources. The total, including both military and economic aid in the Mutual Security Program, has accounted for less than five per cent of our total Federal Budget in recent years, and has represented less than one per cent of our annual gross national product. It would cost us far more to attempt to build an equivalent amount of defensive strength in the world with our own forces than it does through this program. Even apart from other considerations, loss of any important part of the free world to international communism would have repercussions on our own economy and defense expenditures greater than the cost of the Mutual Security Program. We believe the program essential to our own security and that of the free world and are convinced that we can afford what is necessary. What we cannot afford are the costs and risks involved in abandoning or emasculating the Mutual Security Program.

Criticisms

During its field trips and deliberations the Committee took note of the many criticisms by the public, the Congress and within the Executive Branch. These were of varying degrees of validity and credibility. We found evidence of long delays from the initiation of proposals to the development of a firm program, and of an excessive number of reviews and over-coordination during the programming process. Further, there

has been evidence presented of faulty or uneconomic programming, and of various other shortcomings. In Washington, policy coordination has not always been promptly or effectively accomplished. A firm and persistent effort to improve the overall management of the program is called for. The Committee believes that its recommendation to place the program on a continuing basis, if accepted, will provide the opportunity to overcome many of these problems and to alleviate some of these criticisms. It expects to consider and deal with them further in its final report.

The Committee states, however, that while mistakes have been made in the conduct of the program, a fair review must take into account the many difficulties inherent in such a complex and widely spread operation. It must also recognize that the errors have been largely in matters of detail. Most projects in the program have been well planned and successfully executed. The Committee concludes that the Mutual Security Program is and will continue to be an effective and essential tool in carrying out our national security interests and in promoting free world defense. To abandon the program, for errors in execution or for any other reasons, would be to abandon the free world and to lose the cold war.

Summary

1. The Communist military threat is greater than ever.
2. The Communist economic and political threat and capabilities are expanding.
3. The average level of expenditure needed for military assistance over the next few years is, in the judgment of the Committee, not likely to be less, as an order of magnitude, than that required in the recent past. To reduce the program by approximately one-third from the present rate of deliveries, which would, in a year or two, be the result of continuing the current fiscal year's \$1.5 billion military assistance appropriation or the \$1.6 billion present request for Fiscal Year 1960, would amount to a fundamental change in United States national policy. It would imply a strategic retreat.
4. The amount of military assistance required for Fiscal Year 1960 has been considered in some detail by the Committee. Its sub-groups visited many countries, including most of those receiving

major amounts of military assistance. The Committee recommends that approximately \$400 million be made available for new commitments, primarily for the NATO area, in addition to the \$1.6 billion present request. This should not change significantly the estimated expenditures in Fiscal Year 1960.

5. The proposed economic assistance program for Fiscal Year 1960 is the minimum needed. Material reductions in the total might well restrict the United States to a disproportionately military approach, and thus make the Communist economic offensive more effective. In fact, a level of lending for economic development under the Mutual Security Program at a rate of at least \$1 billion a year will probably be needed by Fiscal Year 1961.

6. Certain features of the applicable legislation and procedures have tended to impede efficient administration of the mutual security and related programs. These should be reconsidered and improved in the interest of bringing these programs to maximum effectiveness.

7. The Mutual Security Program is now and will remain an essential tool of foreign policy. Accordingly, the Committee proposes that the Congress and the Executive Branch take the necessary legislative and administrative steps to put the Mutual Security Program on a continuing basis. Specific recommendations will be made in our final report.

Respectfully submitted,

DILLON ANDERSON
JOSEPH M. DODGE
ALFRED M. GRUENTHER
MARX LEVA
JOHN J. McCLOY
GEORGE MCGHEE
JOSEPH T. McNARNEY
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Chairman

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Study Coordinators

JOSEPH E. SLATER
Secretary

The Mutual Security Program: Instrument for Peace and Freedom

*Statement by Under Secretary Dillon*¹

I appreciate the privilege of appearing before your committee in support of the President's request for the mutual security program for fiscal year 1960.

I believe deeply that the compelling realities of the world around us make the vigorous and determined continuation of this program truly vital to the peace of the world, the survival of our country, and the lives of our people.

I shall not review these realities now, because I know they are well understood by your committee. Moreover, they have been fully and eloquently restated by the President in his message to the Congress.² That message is before you and does not need repetition by me.

I should like to proceed at once, therefore, to the program itself and to certain major aspects of it in which I think you may be particularly interested.

THE PROGRAM FOR FISCAL YEAR 1960

First, as to the program broadly. The Congress and the executive branch, working together through two administrations, have created in the mutual security program over the last 12 years a powerful instrument of national policy. It is an instrument not for war or the subjugation and enslavement of others but for peace and the strengthening of freedom and the economic progress of all free nations. This instrument is tried and tested. It is successful.

To continue the mutual security program effectively, the President is requesting for fiscal year 1960 an authorization of \$3,930 million. For reasons which I will discuss more fully later, I would like to emphasize my opinion that this is a minimum program. In fact, a stronger case can be made for increasing than for decreasing it.

Each category in the program is built up out of specific needs for individual countries and activities. I hope the committee will not take action to

¹ Made before the Senate Foreign Relations Committee on May 4 (press release 301).

² BULLETIN of Mar. 30, 1959, p. 427.

reduce any categories of aid without giving us an opportunity to submit testimony on the particular countries or specific programs as to which it may have doubts. We believe it is essential in the overall interest of our national security that the committee authorize the full amount requested in each category. Succeeding witnesses will be prepared to deal in detail with the individual programs.

MAJOR SUBJECTS OF INTEREST

Now let me turn to four specific subjects which I feel are of particular interest to your committee. These are the military assistance program, particularly the relative emphasis to be put on military and economic assistance; second, the future of the Development Loan Fund; third, progress of efforts to stimulate private investment abroad in the less developed countries; and, fourth, the administration of the mutual security program.

The Balance of Military and Economic Aid

Last fall members of this committee suggested in a letter³ to the President that there might be a serious distortion in the relative importance which is attached to military and related aid on the one hand and technical assistance and self-liquidating economic development assistance on the other.

These views have been seriously considered by the executive branch in formulating and developing its program proposals for fiscal year 1960. The judgments the program reflects represent our view as to the minimum outlay for military purposes consonant with the maintenance of our security and the proper outlay for economic purposes consonant with our interests and the needs of other countries. I do not think there is any difference in philosophy between the executive branch and the Members of the Congress on this subject.

As the President said in his message, our military programs are "not through choice but necessity. It is not in our nature to wish to spend our substance on weapons. We would like to see these outlays shifted to the economic benefit of our own Nation and our friends abroad striving for economic progress."

³ *Ibid.*, Oct. 6, 1958, p. 547.

In accordance with this philosophy we have in fact been shifting the emphasis from military to economic programs in recent years. Taking the figures for the underdeveloped areas, the military assistance program was just under 50 percent of the total program for fiscal year 1958, 42 percent for fiscal year 1959, and the request for fiscal year 1960 is 35 percent. Economic assistance has risen proportionately from 50 percent in fiscal year 1958 to 58 percent in fiscal year 1959 and to 64.5 percent in the request for fiscal year 1960. This is clear evidence that we have been substantially shifting the emphasis of our mutual security program in the less developed areas toward economic assistance. It is our opinion, backed by the unanimous findings of the Draper Committee,⁴ that, if still greater emphasis is to be given to the economic development programs, it can only be through larger appropriations for economic development purposes.

It is imperative not only as a military matter but as a matter of foreign policy that we continue to join with our allies and friends to maintain a measure of military strength sufficient to deter aggression and to maintain order—conditions essential to economic progress and the strengthening of free institutions.

Such defensive power cannot be confined solely to the industrialized countries. It must also exist in underdeveloped countries, particularly when such countries lie in close proximity to the power of the Sino-Soviet bloc.

It is therefore essential to help maintain forces in such countries up to carefully determined levels. We realize quite plainly that these forces by themselves are not capable of defeating an all-out Communist attack, and this is not their purpose. They are important, however, in playing an assigned role in collective defense and in maintaining the integrity of their homelands from the dangers of Communist infiltration, subversion, or insurrection.

Secretary [of Defense Neil H.] McElroy and General [Nathan F.] Twining⁵ will, of course, provide expert military testimony on Wednesday [May 6]; but, since I have had responsibility for reviewing and passing on the total program including the military program, I want to make

⁴ See p. 796.

⁵ General Twining's statement was read by Gen. T. D. White, Chief of Staff, USAF.

plain that I believe the military assistance request of \$1.6 billion for fiscal year 1960 is the barest minimum and cannot safely be reduced.

The Economic Program

I believe there is substantially universal agreement among those who have carefully studied the matter that, while the military threat of communism is undiminished, the economic threat is mounting. I discussed the Sino-Soviet program of penetration through economic means with your committee at some length in January,⁹ and I shall not repeat that discussion now.

I want to reemphasize, however, as I said then, and as the President has stressed in his recent message, that, entirely aside from the Communist military and economic threat, the economic, political, and social revolutions stirring many of the underdeveloped areas create urgent needs for United States understanding and economic help. These are needs which we must meet, both in our own national interest and in response to our own humanitarian motivations.

Four elements of our total program serve these needs in varying degrees: defense support, special assistance, technical cooperation, and the Development Loan Fund.

Defense support, for which we ask \$835 million, serves a dual purpose: It enables the recipient country to maintain agreed military strength without economic retrogression, and it provides the necessary foundation of economic stability on which other elements of the program can build toward economic progress. Defense support goes to 12 countries which, with the single exception of Spain, lie along the periphery of the Sino-Soviet empire. All of these countries have strategic significance and are prime targets of international communism.

I should like to make one overall point in connection with these defense support funds: While a cut in defense support funds would undoubtedly make it very difficult for the recipient country to maintain its military strength, it would not of itself assure that military forces would be reduced. The decision to have such forces stems from the country's belief in their necessity for its security. Even if we and the country in question were to agree that a reduction in military

forces was desirable, such a change could only be made over a period of several years and would involve additional economic assistance to support the shift. Therefore it is quite likely that the impact of a cut in defense support would have to be absorbed in the first instance by a reduction in nonmilitary expenditures. The result would be a serious weakening of economic and political stability in these countries which are so important to our common defense. It would also have the effect of retarding their economic growth.

The Draper Committee reviewed this program in some detail and reached the unanimous conclusion that it was presently programed at an austere level which it would be dangerous to reduce.

Special assistance, for which we are asking \$272 million—approximately the same amount programed this year—also contributes to economic stability and progress. The fiscal year 1959 program was increased over the amount originally requested primarily because of the increased tensions in the Middle East. The additional funds were drawn from the contingency fund. It is important *not* to confuse special assistance with the contingency fund. Special assistance is *not* emergency money. It is *programed* for certain countries where we wish to achieve special political, economic, humanitarian, or other objectives which cannot be gained from technical cooperation or the Development Loan Fund. These include countries of great importance to us, such as Morocco, Tunisia, Libya, Jordan, Ethiopia, and the Sudan—and beleaguered West Berlin.

It also provides for certain health and education programs: the continuation of our successful effort to eradicate malaria; a new program to explore methods of attacking the world's most widespread killer—waterborne diseases; a small contribution for international medical research; help to American schools abroad. It also includes a new and potentially extremely valuable program to encourage and stimulate American and local private investment in the less developed countries.

Detailed testimony on each special assistance program will be provided by future witnesses.

The *contingency fund*, for which we are requesting \$200 million, is for two broad purposes: to cover contingent needs we are now aware of

⁹ BULLETIN of Feb. 9, 1959, p. 206.

but which are not yet sufficiently well defined to be programed, and to cover emergencies which are not foreseeable at all. The contingencies foreseen are more than enough to demonstrate the need for the full \$200 million requested.

Technical Cooperation and the DLF

The two elements of the program primarily directed at economic development are the technical cooperation program and the Development Loan Fund.

Technical cooperation has been increased steadily in recent years. The increase in bilateral and multilateral programs for this year totals almost \$40 million. I think this is a wise step forward, and the important question here is whether it will be possible to mobilize, indoctrinate, and place in the field the highly qualified personnel required by this program. We believe this can be done, and we will make a determined effort to do it.

The *Development Loan Fund* in 1 year of active operation has begun to fulfill the hopes held for it as a major tool for advancing economic development projects crucial to the progress of friendly nations.

The executive branch from the beginning has considered that at the appropriate time it should be placed on a longer term basis at a higher level of operation. Last fall the executive branch gave careful consideration to the possibility of presenting a request for such a longer term, increased DLF this year. In the final analysis the reasons for deferring the request until fiscal year 1961 seemed compelling.

In the first place, we have now only about 1 year of full-scale operation of the Fund behind us. The additional experience that will come with another year's operation will be invaluable in judging the size and form which longer term capitalization of the Fund should take. You will recall that when the President originally proposed the establishment of the Development Loan Fund 2 years ago he asked for a 3-year capitalization, and, as he stated in his recent message to the Congress, it was his intention, based on observation of its progress within that period, to ask for longer term capitalization commencing in fiscal year 1961. The request for fiscal year 1960 will complete this original 3-year trial period.

Another reason for postponing the decision on long-term capitalization until next year flowed

from our desire to insure that the Development Loan Fund fits carefully into the pattern of other development institutions.

This year consideration is being given to the creation of two new institutions in this field. One is the inter-American development banking institution, the creation of which was recently agreed to by the 21 members of the Organization of American States.⁷ We hope that this institution will become a reality in the course of this year. Legislation requesting authorization for the U.S. to take part in this institution will be sent to the Congress in the immediate future.

The second institution to which consideration is being given is an International Development Association to be formed as an adjunct to the World Bank. This would be a multilateral version of our own Development Loan Fund.

While negotiations regarding this institution are not as far advanced as in the case of the inter-American institution, we do expect that later in the year we will have a much clearer idea as to the practicability and possibilities of such an institution. Information regarding the possibilities for these two institutions seemed to us essential in working out long-term plans for the Development Loan Fund.

Taking into account this information and our further experience in operating the Fund, the Department of State presently intends to submit for consideration by the President next fall a proposal for the long-term financing of the Development Loan Fund beginning in fiscal year 1961.

In this connection I believe you may have noticed that the President in discussing this matter at his press conference last week emphasized the importance of the principle of long-range commitment and the need for the Development Loan Fund to be kept at a level where it could do the job.

Meanwhile, I consider it absolutely essential to an adequate program of economic development that the Congress authorize and appropriate the full \$700 million which the administration has requested for fiscal year 1960.

Encouragement of Private Investment

You have asked, Mr. Chairman, that the Department be prepared during these hearings to

⁷ For background, see *ibid.*, May 4, 1959, p. 646.

present any changes in the mutual security legislation which are considered desirable in order to implement recommendations in the report on private enterprise recently prepared at my request pursuant to section 413(c).⁸

This report contains three recommendations of significance to this legislation.

One proposes the broadening of ICA's program of guarantees against defined nonbusiness risks to include risks attendant upon revolution, insurrection, and civil strife. An amendment of the legislation to give effect to this recommendation has been proposed.

The second recommendation proposes the broadening of governmental guarantees to insure private lenders against nonpayment, for any reason, of a portion of their loans abroad. The Export-Import Bank has been requested by the National Advisory Council to take immediate action to institute a new program of partial guarantees to carry out this recommendation. Since it already has adequate authority for such a program, no legislation is required.

The third relevant recommendation in the report proposes that the Development Loan Fund be given authority to make equity investments, provided that such ownership rights by the Government do not carry with them voting rights in respect to management and control. While I believe that the objective of this recommendation—mainly to provide the DLF with greater investment flexibility—is a desirable one, it raises a number of complex problems relating to the implications of Government ownership rights to private enterprise. The executive branch has not completed its consideration of this recommendation and, accordingly, does not wish to propose legislation at this time.

There are, of course, many other recommendations in the report which do not involve amendment of the mutual security legislation. Nevertheless, I believe the committee will be interested to know that all of these recommendations are being followed up. The Treasury Department is today [May 4] transmitting to the House Committee on Ways and Means the views of the executive branch on H.R. 5 (the Boggs bill) providing for

tax measures to encourage private foreign investment. These views have been formulated after full consideration of the related recommendations in the report. With respect to other recommendations in the report, ranging from the encouragement of foreign investment by small business to the improvement in governmental services to business, I have requested that these recommendations be given early attention by the various executive agencies concerned, including the Departments of State and Commerce, the Development Loan Fund, the Export-Import Bank, the Small Business Administration, the Federal Reserve Board, and the Department of Justice.

When this program is completed, in particular the recommendations for tax legislation, I believe that the inducement to private American capital and managerial talent to undertake ventures in the less developed areas will be substantially greater than at present.

Coordination and Administration

Finally, I would like to touch on the coordination and administration of the mutual security program and other economic programs.

Your committee has shown over the years an intense and practical interest in strengthening the coordination of the several categories of the mutual security program and of other related economic programs of our Government in order that they may all support the attainment of our foreign policy objectives with the least cost and the greatest effectiveness.

We have been steadily moving in this direction for the past 18 months. In February of this year an important step was taken when the Secretary delegated to the Under Secretary for Economic Affairs his control over ICA.⁹ The role of the Under Secretary which was previously implicit is now explicit. ICA has been brought more closely within the Department while retaining its separate form for administrative purposes.

Under the new coordinating arrangements the Under Secretary for Economic Affairs, after consultation with Defense and ICA, develops and

⁸For a summary of the report, see *ibid.*, Apr. 20, 1959, p. 562. Copies of the report may be obtained upon request from the Department of State, Washington 25, D.C.

⁹On Feb. 3, 1959, the Secretary of State signed Amendment No. 5 to Delegation of Authority No. 85 of June 30, 1955, whereby the Under Secretary of State for Economic Affairs was given the function of directing and controlling the International Cooperation Administration.

approves broad policies for the conduct of the mutual security program, reviews annual programs submitted by Defense and ICA, approves the budget estimates as submitted to the Bureau of the Budget, and assures that effective coordination takes place between the Department of Defense, ICA, and the rest of the Department of State.

Placing responsibility for broad coordination of the mutual security program in the Under Secretary for Economic Affairs makes possible the close integration of this program with all other foreign economic activities of the United States. The Under Secretary is also Chairman of the Board of Directors of the Development Loan Fund and Alternate Governor of the United States on the International Bank for Reconstruction and Development and the International Monetary Fund. He provides policy guidance on matters relating to P.L. 480 [Agricultural Trade Development and Assistance Act]. He also represents the Department of State on the National Advisory Council, whose specific function it is to coordinate the activities of other United States Government agencies, including the Development Loan Fund, to the extent they engage in foreign loans and foreign financial transactions.

Administration

During the past few years we have heard much of individual errors in the administration of the program. It is important to correct these errors. *But*, in our concern over the administration of the program, do not let us miss the forest for the trees. The situation in Laos is a case in point. Here we have had many criticisms and much unfavorable publicity during the past year. However, the overall result in Laos has been a resounding success. The country has been successfully reunified; the Communist-controlled provinces have been reintegrated into the national life; fellow travelers have been forced out of the Government, which is now more stable than at any time since the Indochina war. The currency has been revalued, and import controls have been eliminated. Although many problems remain, Laos, thanks to the mutual security program, has made remarkable progress. This story can be repeated in many places. All in all we can and should be proud of the results we have achieved.

Errors do occur, of course, and, while some are

inevitable in a program of this size and complexity, I am sure that with recent administrative improvements and our greater experience their incidence is decreasing. I am satisfied that the many changes which have been and are being made are leading to increasingly effective administration of its programs. A basic change in ICA administration, for example, has been the centralization in one office of responsibility for both operations and technical advice—which should result in more rapid action in Washington. There are already many concrete indications of the progress being made. Administration will continue to have high priority attention, and the Acting Director [Leonard J. Saccio] of ICA will be prepared to discuss in detail with you the recent changes and improvements.

CONCLUSION

After the most intensive examination of this program for the past 2 years, I am convinced it is completely justified by two reasons which are simple, straightforward, and clear. First, our security is dependent on the assistance of allies. Our needs for allied military forces, bases, strategic resources, and productive capacity are real and inescapable. These needs can be realized only through this program. If it did not exist it would have to be invented. Second, we are, must be, and want to be concerned with the welfare of our fellow human beings. We can no more live unscathed in a community of nations if it is diseased, poverty stricken, and unstable than we could live unscathed in our local communities under such conditions.

The mutual security program cannot alone preserve the free world nor solve the great international problems. We must never assume that it can. But *without* it worldwide despair and defeat are inevitable; *with* it the hope for the future can be bright.

Today we are confronted by an all-pervading, insidious challenge to freedom everywhere. It is a long-term challenge, pressed by leaders with infinite patience. We are faced also by the challenge of the revolutionary awakenings of many hundreds of millions of people in three-quarters of the globe.

We need have no fear that we will lack the in-

genuity to meet these challenges. We do so in this mutual security program.

Our danger is in the test to our determination—our perseverance. If we stand up resolutely to the challenge of history, if we see in these great revolutions the opportunity to shape the future of a world of progress and of peace, we shall pass the test of survival and of greatness.

Our cause today is not just the preservation of our lives, our Nation, and human liberty on this planet; it is the encouragement of a political and social structure in which the full energies of man and the untold benefits of science can enrich the peaceful lives of human beings everywhere.

The mutual security program, vigorously pursued, is a powerful mechanism to these ends.

Congressional Documents Relating to Foreign Policy

86th Congress, 1st Session

Agreement for Cooperation With EURATOM. Hearings before the Subcommittee on Agreements for Cooperation of the Joint Committee on Atomic Energy. January 21–22, 1959. 150 pp.

The Next Ten Years in Space, 1959–1969. Staff report of the Select Committee on Astronautics and Space Exploration. H. Doc. 115. February 3, 1959. 221 pp.

Amendments to the Bretton Woods Agreements Act of 1945, as Amended. Background documents relative to the Bretton Woods Agreements Act of 1945, as amended. 89 pp.

International Health and Medical Research Act of 1959. Hearings before the Senate Committee on Labor and Public Welfare on S.J. Res. 41. February 24–March 10, 1959. 234 pp.

The Effect of Red China Communes on the United States. Hearing before the Subcommittee To Investigate the Administration of the Internal Security Act and Other Internal Security Laws of the Senate Judiciary Committee. March 24, 1959. 74 pp.

Geneva Test Ban Negotiations. Hearing before the Subcommittee of the Senate Foreign Relations Committee pursuant to S. Res. 31. March 25, 1959. 32 pp.

Amendment to Budget and Proposed Supplemental Appropriations, Fiscal Year 1960, for Department of Defense Military Functions. Communication from the President. H. Doc. 102. March 26, 1959. 5 pp.

The Federal Government's Foreign Language Training Programs. Report of the Senate Committee on Government Operations. S. Rept. 153. April 7, 1959. 29 pp.

Fourteenth Report of the U.S. Advisory Commission on Information. H. Doc. 106. April 7, 1959. 61 pp.

Mutual Security Act of 1959. Hearings before the House Foreign Affairs Committee on draft legislation to amend further the Mutual Security Act of 1954, as amended, and for other purposes. Part II. April 7–10, 1959. 248 pp.

U.S. Contributions to International Organizations. The seventh report on the extent and disposition of U.S. contributions to international organizations for the fiscal year 1958. H. Doc. 111. April 8, 1959. 117 pp.

TREATY INFORMATION

Current Actions

MULTILATERAL

Automotive Traffic

Convention concerning customs facilities for touring. Done at New York June 4, 1954. Entered into force September 11, 1957. TIAS 3879.

Accession deposited: France, April 24, 1959.

Customs convention on temporary importation of private road vehicles. Done at New York June 4, 1954. Entered into force December 15, 1957. TIAS 3943.

Accession deposited: France, April 24, 1959.

Trade and Commerce

International convention to facilitate the importation of commercial samples and advertising material. Dated at Geneva November 7, 1952. Entered into force November 30, 1955. TIAS 3920.

Accession deposited: Ireland, April 23, 1959.

BILATERAL

Belgium

Agreement amending annex B of the mutual defense assistance agreement of January 27, 1950 (TIAS 2010). Effected by exchange of notes at Brussels April 21 and 29, 1959. Entered into force April 29, 1959.

International Atomic Energy Agency

Agreement for cooperation in the civil uses of atomic energy. Signed at Vienna May 11, 1959. Enters into force on date each party receives from the other written notification that it has complied with statutory and constitutional requirements.

Japan

Agreement relating to the amount to be made available to the United States during Japanese fiscal year 1959 under article XXV of the administrative agreement of February 28, 1952 (TIAS 2492), for U.S. services and supplies in Japan. Effected by exchange of notes at Tokyo April 6, 1959. Entered into force April 6, 1959.

Portugal

Parcel post agreement and regulations of execution. Signed at Lisbon January 12 and at Washington February 27, 1959.

Entered into force: May 1, 1959.

Parcel post convention. Signed at Washington July 27 and at Lisbon November 25, 1916. 41 Stat. 1677.

Terminated: May 1, 1959 (replaced by parcel post agreement and regulations of execution, *supra*).

United Arab Republic

Agreement supplementing and amending the agricultural commodities agreement of December 24, 1958 (TIAS 4147). Effected by exchange of notes at Calro May 5, 1959. Entered into force May 5, 1959.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Calendar of International Conferences and Meetings¹

Adjourned During May 1959

U.N. ECAFE/TAA Regional Seminar on Trade Promotion	Tokyo	Mar. 30-May 24
U.N. Economic Commission for Europe: 14th Session	Geneva	Apr. 20-May 8
U.N. Committee on Information From Non-Self-Governing Territories: 10th Session.	New York	Apr. 20-May 15
ILO Coal Mines Committee: 7th Session	Geneva	Apr. 27-May 8
OAS Special Committee To Study New Measures for Economic Development ("Committee of 21").	Buenos Aires	Apr. 27-May 8
U.N. Social Commission: 12th Session	New York	Apr. 27-May 15
ICAO Aeronautical Information Services and Aeronautical Charts Divisions.	Montreal	Apr. 28-May 25
WMO Executive Committee: 11th Session	Geneva	Apr. 29-May 8
South Pacific Conference: 4th Session	Rabaul, New Britain	Apr. 29-May 13
12th International Cannes Film Festival	Cannes	May 1-15
U.N. International Study Group on Lead and Zinc: 1st Meeting .	New York	May 4-7
PAHO Executive Committee: 37th Meeting	Washington	May 4-8
U.N. ECAFE Inland Transport and Communications Committee: Working Party of Telecommunications Experts.	Tokyo	May 4-15
Conference on Food for Peace: Ministers Meeting	Washington	May 5-6
GATT Committee I on Expansion of International Trade	Geneva	May 5-13
GATT Intersessional Committee	Geneva	May 6-8
U.N. <i>Ad Hoc</i> Committee on Peaceful Uses of Outer Space	New York	May 6, 7, 26
GATT Committee on Balance-of-Payments Restrictions	Geneva	May 11-13
International Rubber Study Group: Special Management Committee.	London	May 11-13
U.N. ECLA Committee on Trade	Panamá	May 11-14
ITU International Telephone and Telegraph Consultative Committee (CCITT): Subcommittee for the Far East on the General Plan for the Development of the International Network.	Tokyo	May 11-15
GATT Consultations With European Economic Community on Sugar.	Geneva	May 11-20
GATT Contracting Parties: 14th Session	Geneva	May 11-30
FAO Cocoa Study Group: Statistical Committee	Rome	May 12-13
ILO/FAO Technical Meeting on Cooperatives in Europe and North America.	Naples	May 12-21
12th World Health Assembly	Geneva	May 12-30
FAO Cocoa Study Group: Executive Committee	Rome	May 13-14
South Pacific Commission: 19th Session	Rabaul, New Britain	May 13-17
International Cotton Advisory Committee: 18th Plenary Meeting .	Washington	May 13-22
U.N. Economic Commission for Latin America: 8th Session	Panamá	May 14-23
4th Inter-American Indian Conference	Guatemala City	May 16-25
Pan American Highway Congresses: 4th Meeting of Permanent Executive Committee.	Washington	May 18-22
U.N. ECOSOC Latin American Seminar on Status of Women	Bogotá	May 18-29
U.N. Commission on Sovereignty Over Natural Wealth and Resources: 1st Session.	New York	May 18-22
UNESCO Intergovernmental Advisory Committee for Major Project on "Mutual Appreciation of Eastern and Western Cultural Values": 2d Meeting.	Paris	May 19-23
ICAO: Informal Pacific Region Meeting of Air Traffic Services and Communication Experts.	Bangkok	May 20-30
16th World Congress of Veterinary Medicine	Madrid	May 21-27
FAO Group on Grains: 4th Session	Rome	May 21-29
ILO Governing Body: 142d Session (and Committees).	Geneva	May 25-30
UNESCO Administrative Commission	Paris	May 25-30

¹ Prepared in the Office of International Conferences, May 14, 1959. Asterisks indicate tentative dates. Following is a list of abbreviations: CCITT, Comité consultatif international télégraphique et téléphonique; ECAFE, Economic Commission for Asia and the Far East; ECE, Economic Commission for Europe; ECLA, Economic Commission for Latin America; ECOSOC, Economic and Social Council; FAO, Food and Agriculture Organization; GATT, General Agreement on Tariffs and Trade; IAEA, International Atomic Energy Agency; IA-ECOSOC, Inter-American Economic and Social Council; IBE, International Bureau of Education; ICAO, International Civil Aviation Organization; ILO, International Labor Organization; IMCO, Intergovernmental Maritime Consultative Organization; ITU, International Telecommunication Union; OAS, Organization of American States; PAHO, Pan American Health Organization; PAIGH, Pan American Institute of Geography and History; TAA, Technical Assistance Administration; U.N., United Nations; UNESCO, United Nations Educational, Scientific and Cultural Organization; UNICEF, United Nations Children's Fund; WMO, World Meteorological Organization.

Calendar of International Conferences and Meetings—Continued

Adjourned During May 1959—Continued

U.N. Special Fund: 2d Session of Governing Council	New York	May 26-28
UNESCO External Relations Commission	Paris	May 26-30

In Session as of May 31, 1959

Political Discussions on Suspension of Nuclear Tests (recessed May 12 until Foreign Ministers have adjourned; will reconvene not later than June 8).	Geneva	Oct. 31, 1958-
PAHO Subcommittee To Study the Constitution and Rules of Procedure.	Washington	Apr. 13-
Four-Power Foreign Ministers Meeting	Geneva	May 11-
ITU Administrative Council: 14th Session	Geneva	May 19-
ICAO Panel for Coordinating Procedures Respecting the Supply of Information for Air Operations.	Montreal	May 25-
UNESCO Executive Board: 54th Session	Paris	May 25-

Scheduled June 1 Through August 31, 1959

FAO Committee on Commodity Problems: 31st Session	Rome	June 1-
Inter-American Commission of Women: 13th General Assembly	Washington	June 1-
U.N. Trusteeship Council: 24th Session	New York	June 2-
ILO Conference: 43d Session	Geneva	June 3-
U.N. ECE Steel Committee and Working Parties	Geneva	June 3-
IAEA Scientific Advisory Committee to Board of Governors	Vienna	June 4-
Customs Cooperation Council: 14th Session	Brussels	June 8-
U.N. ECE Conference of European Statisticians: 7th Session	Geneva	June 8-
FAO/UNICEF Joint Policy Committee: 2d Session	Rome	June 8-
6th International Electronic and Nuclear Exhibit and Congress	Rome	June 15-
FAO Council: 30th Session	Rome	June 15-
Executive Committee of the Program of the U.N. High Commissioner for Refugees.	Geneva	June 15-
GATT Group of Experts on Restrictive Business Practices	Geneva	June 15-
ICAO Assembly: 12th Session	San Diego	June 16-
South Pacific Research Council: 10th Meeting	Nouméa, New Caledonia	June 17-
International Whaling Commission: 11th Meeting	London	June 22-
IMCO Maritime Safety Committee: 1st Session of Tonnage Measurement Subcommittee.	London	June 24-
U.N. ECE Coal Committee and Working Parties	Geneva	June 24-
9th International Berlin Film Festival	Berlin	June 26-
15th International Dairy Congress	London	June 29-
FAO Desert Locust Control Committee: 6th Session	Rome	June 29-
GATT Committee on Balance-of-Payments Restrictions	Geneva	June 29-
IAEA Board of Governors: 12th Session	Vienna	June
IA-ECOSOC Permanent Technical Committee on Ports: 2d Meeting.	Montevideo	June
Permanent International Commission of Navigation Congresses: Annual Meeting.	Brussels	June
U.N. ECAFE/FAO Working Party on Rational Utilization of Wood Poles for Power and Communication Lines.	Bangkok	July 1-
IMCO Council Meeting: 2d Session	London	July 6-
UNESCO/IBE: 22d International Conference on Public Education.	Geneva	July 6-
International Seed Testing Association: 12th Congress	Oslo	July 6-
ICAO Airworthiness Committee: 3d Meeting	Stockholm	July 14-
IAEA Seminar on Training of Specialists in the Peaceful Uses of Atomic Energy.	Saclay, France	July
IBE Council: 25th Session	Geneva	July
Caribbean Commission: Conference on the Revision of the Agreement for the Establishment of the Commission.	Trinidad	July
International Wheat Council: 26th Session	London	July
Conference of Commonwealth Survey Officers	Cambridge	Aug. 17-
ITU International Administrative Radio Conference	Geneva	Aug. 17-
U.N. ECAFE Working Party on Small-Scale Industries and Handicraft Marketing: 6th Meeting.	Singapore	Aug. 17-
ICAO Legal Division: 12th Session	Munich	Aug. 18-
International Institute of Refrigeration: 10th Congress	Copenhagen	Aug. 19-
20th International Exhibition of Cinematographic Art	Venice	Aug. 23-
Inter-American Council of Jurists: 4th Session	Santiago	Aug. 24-
48th Conference of the Interparliamentary Union	Warsaw	Aug. 27-
17th International Congress of Pure and Applied Chemistry	Munich	Aug. 30-
FAO Working Party on Copra Quality and Grading: 2d Session	Colombo	August
PAIGH Directing Council: 4th Meeting	México, D.F	August

The World Rice Situation and the Outlook for 1959

THIRD SESSION OF FAO CONSULTATIVE SUBCOMMITTEE ON THE ECONOMIC ASPECTS OF RICE, COLOMBO, CEYLON, FEBRUARY 16-24, 1959

by Dexter V. Rivenburgh

The third session of the Consultative Subcommittee on the Economic Aspects of Rice was held at Colombo, Ceylon, from the 16th to the 24th of February 1959. The session was preceded by a meeting of the Subcommittee's Working Group on Rice Grading and Standardization.

This Subcommittee is an international group operating under the Commodity Problems Committee of the Food and Agriculture Organization of the United Nations. It was set up to conduct, on a permanent basis, the work which had previously been carried on by three *ad hoc* meetings convened at the requests of governments having a major interest in rice. The first such meeting was held at Bangkok, Thailand, in 1953; it was followed by sessions at Rangoon, Burma, in 1954, and at Bangkok in 1955. The first session of the permanent Subcommittee was held at Rome, Italy, in 1956, and the second at Washington, D.C., in 1958.

Purpose of Meetings

The purpose of these meetings is to facilitate intergovernmental study and consultation on the economic aspects of the rice industry throughout the world with special attention to the rice trade itself, including the factors or obstacles affecting or preventing the expansion of international trade in rice. Through the Working Group on Rice Grading the Subcommittee has been engaged in evaluating various national systems of grading and of quality inspection. This has resulted in a series of internationally agreed definitions of rice terminology in common usage in various areas

of the world. A glossary of such definitions has been published in seven separate languages. An outline of a model basic system of rice grading has been released showing minimum points any national system of grading should contain, and a similar one is nearing completion covering a model basic plan for quality inspection. The work of the Subcommittee on all of these economic factors is complementary to the work of the International Rice Commission, whose terms of reference relate solely to the technical phases of rice production and processing.

Approximately 27 countries, including principal rice exporting and importing countries throughout the world, are active participants in the Subcommittee. The representation at meetings varies as to the number of delegations present. The meeting just concluded in Ceylon had delegations representing Australia, Burma, Canada, Ceylon, France, Germany, India, Indonesia, Japan, the Netherlands, Paraguay, Poland, Thailand, the United States, and Viet-Nam. The United States was represented by a three-member delegation headed by Dexter V. Rivenburgh, Rice Marketing Specialist of the Foreign Agricultural Service, U.S. Department of Agriculture. Other members were Loren L. Davis, Agronomy Ad-

• *Mr. Rivenburgh, Rice Marketing Specialist of the Foreign Agricultural Service, U.S. Department of Agriculture, headed the U.S. delegation to the third session of the Consultative Subcommittee.*

viser, U.S. Operations Mission, Ceylon, and Northrop H. Kirk, Second Secretary, U.S. Embassy, Ceylon.

A major portion of the discussions at sessions of the Subcommittee is usually concerned with evaluating the world trade in rice in the preceding year and with developing an outlook approach to the trends likely to be of importance in the current year. In addition to discussing the work of its Working Group on Rice Grading the Subcommittee is also concerned with continuing studies on the consumption and utilization of rice by-products. Other phases of the economic aspects of the rice trade discussed are the internal marketing patterns of various countries, the improvements in international statistics and economic information, and the relationship of prices to production and consumption.

Increase in Both Supply and Demand

The principal item of general interest under discussion by the 1959 session was the world rice situation and outlook. Because of the world record crop of rice produced in 1958-59, from which the export supplies moving into market during calendar 1959 will be drawn, the Subcommittee agreed that supplies available for export in 1959 would be substantially greater than those of 1958. It noted, however, that world requirements of importing countries have shown a tendency to rise for the past several years despite increases in production. This is attributed to the continued high rate of population increase in areas where rice is a major cereal in the diet.

The per capita rate of consumption is also rising because of improved economic conditions and the improvement in the existing price relationship between rice and competing cereals. In areas where rice is used as a variety food rather than as a major portion of the diet, there was also found evidence of an increase in consumption. The Subcommittee considered that world demand would go up in 1959, and, while market supplies would not be as limited in certain grades and qualities as they were in 1958, it was not likely that any burdensome world supplies would develop during the year.

The Subcommittee noted that, while production had been generally higher in 1958-59 throughout the world, there were practically no excess stocks carried over as of January 1, 1959, by exporters with the exception of the United States, and that 1959 requirements would have to be drawn almost exclusively from the current crop now moving into market. In view of the fact that the market has now absorbed the large surpluses existing in 1955 and 1956, in addition to the annual crops produced since that time, it was considered that demands against present supplies would remain relatively high. Finally, the Subcommittee pointed out in its report that, regardless of the excellent crop of last year, major importers with few exceptions do not have adequate stocks. Under current prices it was considered likely that some portion of the rice moving into trade might be for the purpose of building a more adequate stockpile position as well as for current consumption needs.

The next meeting of the Subcommittee will be held in Viet-Nam in the latter part of February 1960.

DEPARTMENT AND FOREIGN SERVICE

Consulate Opened at Lomé, Togo

The Department of State announced on May 11 (press release 320) that it had officially opened a consulate at Lomé, Republic of Togo, on May 7. The Republic of Togo is located between Dahomey and Ghana in West Africa. Formerly a part of the German colony of Togo, this territory was placed under French administration by the League of Nations following World War I. It became a U.N. trust territory after World War II. Togo is now expected to attain full independence in 1960 with termination of the country's trusteeship status.

Jesse M. MacKnight is the consul in charge at the post.

Designations

Robert Martin Snyder as director of the U.S. Operations Mission, Nairobi, British East Africa, effective May 13. (For biographic details, see press release 329 dated May 13.)

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No.	Date	Subject
320	5/11	Consulate opened at Lomé, Togo (rewrite).
†321	5/11	Agreement with International Atomic Energy Agency.
322	5/12	Travel to Bulgaria.
323	5/12	DLF loan to Israel (rewrite).
324	5/12	DLF loan to Nicaragua (rewrite).
†325	5/13	Penfield: "The Role of the United States in Africa: Our Interests and Operations."
†326	5/13	Murphy: Bellarmine College.
*327	5/13	Cultural exchange (Europe).
*328	5/13	Itinerary of King of Belgians.
*329	5/13	Snyder designated director, USOM, British East Africa (biographic details).
*330	5/14	Summary of Western peace plan.
331	5/14	Western peace plan.
†332	5/14	Inter-American Indian conference (rewrite).
333	5/15	Herter: Western peace plan.
†334	5/15	Cumming: Armed Forces Day.
†335	5/15	Documents on German foreign policy, 1918-45.
336	5/15	U.S. aide memoire to U.S.S.R. on exchange agreement.
337	5/15	Dulles library of diplomatic history (rewrite).

*Not printed.

†Held for a later issue of the BULLETIN.



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Bulletin

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June 8, 1959

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OFFICIAL WEEKLY RECORD UNITED STATES FOREIGN POLICY

THE DEPARTMENT OF STATE

Bulletin

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The Department of State BULLETIN, a weekly publication issued by the Public Services Division, Bureau of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, United Nations documents, and legislative material in the field of international relations are listed currently.

U.S. Continues Presentation of Western Peace Plan in Second Week of Foreign Ministers Conference

*Statements by Secretary Herter*¹

STATEMENT OF MAY 18

The Government of the United States attaches the greatest value to a just and enduring peace settlement with Germany. Ever since the termination of hostilities in 1945 the United States has steadfastly sought to bring about such a settlement.

The record on this score is clear and unequivocal. At the first meeting of the second session of the Council of Foreign Ministers (Paris, 1946) Secretary of State Byrnes suggested that a special commission be appointed to consider a German peace treaty. On May 15, 1946, he proposed the appointment of special deputies to prepare a draft peace settlement for Germany which the Council could submit to a peace conference to be convened on November 12, 1946. At the third Council of Foreign Ministers session (New York, 1946) Secretary Byrnes insisted that the Council should immediately appoint its deputies for Germany and that these deputies should explore the problem prior to the Moscow session.

The United States continued to press for the conclusion of a peace settlement with Germany at the Council of Foreign Ministers at Paris in 1949. Renewed efforts were made at the Berlin discussions in 1954 and at Geneva in 1955. The position consistently taken by the United States in favor of a final peace settlement with Germany is thus a matter of public record.

Throughout this long period the great concern of the United States has been that a peace settle-

ment with Germany shall truly be all that its name implies—the establishment by solemn international undertakings of relationships between a free and united Germany and the other nations of the world which will promote peace upon earth. A settlement which is not designed to achieve this result would be a fraud upon the hopes of mankind.

All of these efforts on the part of the United States to bring about a definitive peace settlement with Germany were frustrated by the intransigent attitude of the Soviet Union. In particular, the constructive proposals of the United States were brought to naught by the continued refusal of the Soviet Union to fulfill its solemn obligation to join with the Western allies in bringing about the reunification of Germany and the establishment of an all-German government, freely chosen by the German people.

Considerations for Formulation of Treaty Terms

In considering the feasibility of a "peace treaty" with Germany we must keep in mind certain fundamental considerations which must underlie any formulation of specific treaty terms. The United States on December 11, 1941, declared war on Nazi Germany and thereafter engaged in a major conflict with that state. Nazi Germany capitulated unconditionally in 1945.

At all times, prior to the capitulation, the Nazi government of Germany was the government of all of Germany.

It is the position of the United States that under international law the international entity known as Germany remains in existence, notwithstanding what has happened since 1945 as an incident of Four Power occupation. The Government of the United States does not consider, and

¹For statements made by Mr. Herter during the first week of the Foreign Ministers Conference at Geneva, together with the text of the Western peace plan and the announcement of the U.S. delegation, see BULLETIN of June 1, 1959, p. 775.

will not admit, that Germany as an international entity is permanently divided into new and separate states, as was the case of Austria after World War I.

It is undeniable that a peace treaty necessarily connotes a final settlement of the problems engendered by war, such as frontiers, treaty obligations, claims and debts, and the like. It was the international entity known as Germany with which the United States was at war and with which it has outstanding problems. Accordingly, any "final settlement," so far as our Governments are concerned, must await the establishment of a government which can act for and bind Germany as a whole.

Conversely, since the United States was never at war with the Federal Republic of Germany nor with the so-called "German Democratic Republic," any "peace treaty" or definitive settlement with such portions of Germany, whether individually or collectively, could not be a final peace treaty with Germany.

To hold otherwise would be to recognize in effect the permanent partition of Germany.

The Bonn conventions entered into by the Western Powers and the German Federal Republic are in no way inconsistent with the position of the United States I have just set forth. The United States participated in the Bonn conventions because it considered that the people of West Germany should be permitted to assume as normal an international role as possible under the circumstances. It appears on the face of the Bonn conventions that they constitute merely an effort to achieve an interim solution to the problem resulting from the lack of a definitive peace treaty.

Specifically, in the Bonn conventions it is made clear that these arrangements are of an interim nature pending a final peace settlement. While the Federal Republic is recognized as having the full authority of a sovereign over its own internal and external affairs, the three Western Powers retain all the rights and responsibilities exercised or held by them relating to Berlin and Germany as a whole, including reunification of Germany and a peace settlement.

It should be noted also that a similar reservation was made by the Soviet Government in its arrangements of September 20, 1955, with the so-called German Democratic Republic.

Why, it may be asked, cannot the United States negotiate and enter into a peace treaty of the

nature proposed by the Soviet Union, in which it is suggested that "Germany" be represented by the German Federal Republic and the so-called German Democratic Republic, pending establishment of an all-German government? The answer is clear and fundamental. The German Federal Republic and the so-called German Democratic Republic do not, either separately or in combination, constitute an all-German government authorized to act for and bind the international entity known as Germany. That can be done only by an all-German government, freely chosen by the German people.

True, the Soviet Union in its proposal pays lip service to the principle that any peace settlement, to be worthy of the name, must be with the whole of Germany, by the patent device of referring to "Germany" as the contracting party to the treaty. But the "Germany" of the Soviet proposal is a nonentity, and the only real parties are the Federal Republic of Germany and the so-called German Democratic Republic.

Quite aside from the question of recognition of the so-called German Democratic Republic—and the United States wishes to reiterate that it has no intention of recognizing the so-called German Democratic Republic as representative of any part of the German people—it is only by closing one's eyes to reality that one is able to regard the "Germany" of the Soviet proposal as anything of substance.

For example, the widely divergent views of the German Federal Republic and the so-called German Democratic Republic are matters of common knowledge. Yet article 3 of the Soviet draft "treaty" provides:²

The Allied and Associated States recognize the full sovereignty of the German people over Germany, including the territorial waters and airspace.

Sovereignty of a State Is Indivisible

In international relations the sovereignty of a state is one and indivisible. The concept of "two existing German states" representing the indivisible sovereignty of the German people is unacceptable, both in legal and in political theory, and would be wholly unworkable in practice. Who, it may be asked, will represent a sovereign "Germany" or "the German people" in other capitals or in the United Nations? To whom will the

² For text, see *ibid.*, Mar. 9, 1959, p. 337.

other signatories of the treaty look for fulfillment of the obligations of "Germany" under the Soviet proposal?

Article 4 places upon Germany the obligation to solve international disputes by peaceful means and forbids it to extend any aid or support to another state or group of states violating international peace and security.

What would be the result if the so-called German Democratic Republic extended aid to a state which was violating international peace? Would not the Federal Republic of Germany be under an obligation to prevent such support? The Federal Republic might well be required, in view of the unconditional nature of the obligation which is placed upon "Germany" not to extend aid or support in such circumstances, to take measures to disassociate itself from the so-called German Democratic Republic. In view of conditions under which it is likely to be enforced this article could well serve as a threat to international peace and security rather than a safeguard against violations thereof.

The Soviet draft treaty contains, all told, some 48 articles, and in one article after another the same series of problems arises. Upon what entity does a particular obligation rest? To what entity does a particular right accrue? How are rights and obligations to be carried out? How are violations thereof to be treated? It is clearly not necessary to go through the entire draft specifying the vast number of problems which are inherent in this Soviet proposal. The obvious problems stemming from the articles which have been discussed afford ample illustration of the point that this treaty proposal, purely from the practical point of view, would not lead to a settlement of the German problem but instead would create a host of new problems.

The only sound disarmament program is one which is generally applicable, is not directed in a discriminatory manner against a single state, and is backed by meaningful and enforceable measures to insure its accomplishment.

At the Foreign Ministers meeting in Berlin in 1954, Secretary of State Dulles, in discussing the unhappy consequences of the Treaty of Versailles, stated:³

From that experiment, those who truly and wisely seek peace have learned that no great nation is made harmless by subjecting it to discriminations so that it

³ *Ibid.*, Feb. 8, 1954, p. 179.

cannot be an equal in the family of nations. Restrictions such as were imposed by the Treaty of Versailles, and as are implicit in the Soviet proposals of yesterday, merely incite a people of vigor and of courage to strive to break the bonds imposed upon them and thereby to demonstrate their sovereign equality.

This wise counsel is equally applicable to the current Soviet proposals respecting the conclusion of a treaty of peace with Germany. The United States has studied the draft peace treaty with Germany which was attached to the Soviet note of January 10, 1959,⁴ with great care in the hope that it might open a path to the establishment of a permanent peace settlement. Had it in fact done so, the United States would have welcomed it. But the Soviet proposal instead holds the seeds of future discord and conflict.

STATEMENT OF MAY 20

This conference is now well into its second week. It is most appropriate that we review our respective positions in the light of our objectives here. We are in Geneva to seek positive agreements on the German question; to narrow the differences between us; and thus to make constructive proposals for discussions in a possible summit meeting.

The United States delegation has come here with the high purpose of engaging in serious and meaningful negotiations. We have repeatedly stated that, if developments here justify it, we will be ready to participate in a summit meeting; otherwise, not.

What was the occasion for our coming together at this time? All the world knows that there has been no change in the situation relating to Berlin since 1949, when the Soviet Union solemnly reaffirmed its undertakings with respect to access to that city. The real occasion for this meeting was a series of notes from the Soviet Union beginning in November 1958 demanding discussions with respect to the problems of Berlin and a peace treaty with Germany and making certain proposals with respect to those problems. The counterproposals of the three Western Powers were requested in these notes and in numerous public statements by Soviet officials.

In reply the Government of the United States indicated its willingness to meet here in Geneva to discuss "questions relating to Germany includ-

⁴ For text, see *ibid.*, Mar. 9, 1959, p. 333.

ing a peace treaty with Germany and the question of Berlin."

The Western peace plan was formulated in the light of these exchanges. It was formulated in the light of positions repeatedly taken and reaffirmed by the Soviet Union. It constitutes an entirely serious attempt to reach an accommodation between the positions taken by the Soviet Union on the one hand and the three Western Powers on the other in the fall of 1955.

We take particular exception to Mr. Gromyko's charge that the Western peace plan was formulated with the objective of reaching disagreement, rather than agreement, here. This is an unusual charge of bad faith to inject into a conference such as this. The falsity of that charge is demonstrated by the judgment of the peoples throughout the world, who have hailed the Western peace plan as a sober and constructive effort to accomplish a relaxation of tensions through negotiations.

When the Western peace plan was presented, however, that peace plan was rejected out of hand by the Foreign Minister of the Soviet Union, Mr. Gromyko. Instead of examining the Western peace plan on its merits, Mr. Gromyko brushed it aside and reiterated his call for an immediate peace treaty with a divided Germany and the withdrawal of all protective forces from West Berlin.

Let us look into the merits of Mr. Gromyko's objections to the Western peace plan. First, he assails it as a "big pile," a "solid knot," a "Gordian knot," of unrelated and difficult proposals which were put forward in a package in order to preclude, rather than to facilitate, agreement here.

Question of Berlin

What are the facts? Let us first take up the Berlin question. The Soviet Union said that it wanted to discuss the problem of Berlin. Anyone with the slightest knowledge of geography knows that Berlin is one city, not two, and that the existing division between East and West Berlin is, of necessity, artificial and temporary. Accordingly the Western peace plan included a proposal for the reunification of Berlin. I wish to emphasize here that Berlin, though surrounded by the territory of the so-called German Democratic Republic, is not located on the territory of the German Democratic Republic nor is it a part of

that territory. From the beginning, as determined by agreements to which the Soviet Union was a party, the Greater Berlin area was excluded from the Soviet Zone and made a special area for Four Power occupation.

The Western peace plan proposes that Berlin be reunified by self-determination on the part of its inhabitants. This would, indeed, be a determination by the Germans themselves. And it should apply to the reunification of Berlin as well as to the reunification of Germany. The Soviet Foreign Minister, Mr. Gromyko, says: "We are not opposed to elections, but it is up to the Germans themselves—the German Democratic Republic and Federal Republic of Germany—to solve this problem."

Is it not entirely clear by now that this is merely a formula for avoiding free elections? All the world knows well that free elections in Berlin, as well as throughout Germany, can only be assured by the supervision of the Four Powers or some other form of international objective supervision.

Question of Reunification and Peace Treaty

It is further recognized throughout the world that a lasting settlement of the Berlin problem can be brought about only when Germany is reunified and Berlin is permitted to resume its rightful status as the capital of a reunified Germany. Accordingly the Western peace plan contained proposals to bring this about after a stipulated period through the holding of free elections in all of Germany. With due regard to the Soviet Union's insistence that the present moment is not propitious for free all-German elections, the Western peace plan contemplates an intermediate period in which an all-German committee would prepare the basis for such elections. As a major concession on the part of the three Western Powers, in the light of the relative populations of the two parts of Germany, this all-German committee would consist of 25 representatives of the German Federal Republic and 10 representatives of the so-called German Democratic Republic, and its actions would be taken by a three-fourths majority vote. In other words, neither side would have a dominating vote in the committee. This would not constitute an absorption of the German Democratic Republic, as the Soviet Foreign Minister charges.

Indeed, the Western peace plan makes provision for alternate election laws in the event that no such draft law is formulated by the committee within 1 year. The group of members from the Federal Republic, on the one hand, and the group of members from the so-called German Democratic Republic, on the other, would each formulate a draft law approved by a majority of its members. These draft laws would then be submitted to a plebiscite as alternatives. In order for this draft to become law a majority of valid votes in each of the two parts of Germany would be required. Here again is a provision in the Western peace plan which precludes any domination of one part of Germany by the other.

The Soviet Foreign Minister's only answer is to restate the Soviet Union's insistence upon an immediate peace treaty with a divided Germany, under which the question of German reunification would be deferred indefinitely. Everyone knows that under this proposal reunification would be as unlikely as Mr. Khrushchev's "whistling shrimp."

I suggest that an appropriate title for the package put forward by Mr. Gromyko is not "Soviet draft peace treaty with Germany" but rather "Soviet treaty for the permanent partition of Germany."

Now Mr. Gromyko says that, if we enter into a peace treaty with a divided Germany, this will facilitate the reunification of Germany. I should like to have Mr. Gromyko explain the trend of his thought on this subject, because in my view the results of such action by the Four Powers would be precisely the opposite. This appears to be confirmed by the admission by Mr. Gromyko that what he is proposing here is that we divide Germany in the same manner as Austria-Hungary was divided after World War I. Certainly that did not prove to be a road to reunification.

On the other hand, let us look at what the package put forward by the Soviet Foreign Minister contains. As the Foreign Minister of France has pointed out, article 22 of the draft Soviet "peace treaty" with Germany deals specifically with the question of German reunification. Even if this is only lip service to the principle of reunification, I am unable to understand why the Soviet Foreign Minister objects to the Western allies' suggestion that German unification is of necessity a consideration that must be taken into

account in dealing with a solution of the problem of Germany.

Let us contrast the position Foreign Minister Gromyko now takes with that taken by Mr. Molotov, former Foreign Minister of the Soviet Union, at San Francisco in 1955. At that time Mr. Molotov insisted upon reunification through free elections, stating,

As far as our proposals, the proposals of the Soviet Union, concerning the reunification of Germany are concerned, we hold the following view: The regime prevailing at present in Eastern Germany should, of course, not be extended to a united Germany any more than should be the regime existing in Western Germany. What regime is to exist and will exist in a reunified Germany—that is a matter which the German people will have to decide for themselves in all-German free elections.

The day before yesterday I expressed the views of the United States delegation on the Soviet Union's proposal for a so-called "peace treaty" with a divided Germany and explained why any such proposal is wholly unacceptable to my Government. I see no need to dwell any further upon the concept of a "peace treaty" with a divided Germany, for it will settle nothing except the permanent or semipermanent partition of that great country.

Question of European Security

As I have previously noted, the Western peace plan also contained proposals directed to the maintenance of European security. It did so in part because of the insistence of the Soviet representatives in 1955 that the problems of Germany and of European security were inextricably linked and their repeated demand that the Western allies pay heed to such insistence. Now the representative of the Soviet Union professes not to understand the linkage between these two related problems.

Let us consider this inability of Mr. Gromyko to understand the linkage between the problem of Germany and the problem of European security. For this purpose let us glance at the so-called "peace treaty" into which the Soviet Union wishes to have us enter with a divided Germany. We find there in articles such as numbers 28, 29, and 30 the Soviet Union's own ideas of measures designed to insure European security in juxtaposition with the Soviet Union's own ideas of a correct solution of the German problem. How

is it possible for Mr. Gromyko to object to exactly the same type of linkage between these two related problems in the Western peace plan?

True it is that the so-called Soviet "peace treaty" concedes the right of Germany to have armed forces for defense. But what does this really mean? The other provisions of the treaty isolate Germany and preclude it from exercising its right of "collective security" guaranteed by article 51 of the United Nations Charter. Certainly the isolated German forces under the Soviet "peace treaty" would have no capability of defending Germany against the Soviet Union with its massive military capabilities.

We make no apology for including in the Western peace plan measures of disarmament, to which the Soviet delegation has taken such strong objection. Here again the connection is obvious and does not require detailed explanation. European security cannot be insured merely by limiting the armed forces of Germany or the armed forces of other states located in Germany. If there is to be any real relaxation of tension in Europe it is essential that there be a limitation upon the military forces and armaments of all major European states, including the Soviet Union. Conversely, the United States recognized that it would be improbable that the Soviet Union would consent to limitations upon its forces and armaments unless comparable limitations were applied to the armed forces and armaments of the United States. It is apparent, therefore, that such general limitations on forces and armaments fall naturally into a peace plan designed to settle the problems of Berlin, of Germany, and of European security. We wish to emphasize, however, that it is not the objective of the three Western Powers to pose general disarmament as a *sine qua non* of reunification or to insist that the reunification of Germany must be coincident with general disarmament measures.

It is obvious, of course, that disarmament discussions would be facilitated if some relaxation of tensions could be secured through the settlement of outstanding political issues.

Why is it, may we again ask, that the Soviet Union is today brusquely rejecting a Western peace plan carefully tailored to meet concerns expressed by the Soviet Union respecting the Western proposals of 1955? Why does the Soviet Union now insist that German reunification be

carried out only by the German Federal Republic and the so-called German Democratic Republic? Why has the Soviet Union rejected any linkage between German reunification and European security, when it insisted upon such linkage in 1955, with Mr. Khrushchev in the forefront of that insistence?

The answers are clear, particularly in the light of the Soviet Union's insistence upon an immediate "peace treaty" with a divided Germany and its refusal to consider such a modest step forward as the reunification of Greater Berlin. In 1955, apparently, the Soviet Union, while not wanting German unification, believed that there was a serious possibility of the reunification of Germany and therefore was reasonably concerned that such reunification be accomplished only in such a fashion as to protect the Soviet Union's security interests. Now, apparently, the Soviet Union considers that its security interests are better protected by perpetuating the partition of Germany. If that is the case, it would be better to state it frankly. We cannot accept any such position, and we seriously urge the Soviet delegation to reconsider. It is the teaching of history that the artificial partition of a strong and vigorous people can only result in disaster for those that stand in the way of their reunification. Only the whole German people can be entrusted with the task of determining the future of the German nation. Until the Soviet Union recognizes these self-evident facts and cooperates to this end, there will never be a solution of the German problem or the problem of European security.

No Compromise With Principles

The Western allies have gone far in their effort to meet the preoccupations of the Soviet Union, but there can be no compromise with fundamental principles. We are prepared reluctantly to agree to defer German reunification a little longer, as the Western peace plan reveals, but we are not prepared to give it up, as would be the case if we were to agree to an immediate peace treaty with a divided Germany.

Insofar as the Germans are concerned, the Western peace plan makes ample provision for their participation in the reunification process. Even the officials from the so-called German Democratic Republic can have their place on the all-German committee under conditions which

will not permit the representatives of the Federal Republic of Germany to impose their will, despite the numerical superiority of the free West Germans.

Our proposals on European security and disarmament are reasonable and progressive and they deserve the close attention of the Soviet delegation rather than being brushed aside as unworthy of discussion.

The process of negotiation is one of attempting to find a reasonable accommodation between opposing views. The Western peace plan constitutes an earnest and carefully thought out effort to do just that. The Soviet proposals, on the other hand, because in reality they call for an indefinite division of Germany and a withdrawal from West Berlin of the forces on which the people of that city depend for their protection, constitute a long step backward from the positions taken by the Soviet Union in 1955. They are, moreover, inconsistent with the oft-repeated suggestion by the Soviet Union that it will cooperate with the Western allies in an effort to relax tensions. As all know, tensions are the result, not the cause, of disagreements among states.

We call upon the Soviet delegation to cooperate to this end and to engage in serious discussions of our proposals in the days to come.

President Urges Soviet Premier To Accept Test Control Measures

Following is an exchange of correspondence between President Eisenhower and Nikita Khrushchev, Chairman of the Council of Ministers of the Union of Soviet Socialist Republics, together with a statement made on May 16 by James C. Hagerty, Press Secretary to the President.

THE PRESIDENT TO PREMIER KHRUSHCHEV

White House (Denver, Colo.) press release dated May 16

MAY 5, 1959

DEAR MR. CHAIRMAN: I have your reply to my communication of April thirteenth in which I suggested ways in which we might move more rapidly toward the achievement of a lasting agreement for the discontinuance of nuclear

weapons tests under adequately safeguarded conditions.¹

I do not disagree with your statement of the need to conclude a treaty which would provide for the cessation of all types of nuclear weapons tests in the air, underground, under water, and at high altitudes. This is the objective I proposed last August,² which my representatives at Geneva have sought since the beginning of negotiations there,³ and which in my most recent letter I reaffirmed as the goal of the United States. I sincerely hope that your affirmation of this objective will prove to mean that you would now be willing to accept the essential elements of control which would make this possible.

You refer to the possibility mentioned by Prime Minister Macmillan for carrying out each year a certain previously determined number of inspections. I have also been informed that your representative at the Geneva Conference has formally proposed that agreement be reached on the carrying out annually of a predetermined number of inspections, both on the territory of the Soviet Union and on the territories of the United States, the United Kingdom and their possessions. In keeping with our desire to consider all possible approaches which could lead to agreement for discontinuance of nuclear weapons tests with effective control, the United States is prepared to explore this proposal through our representatives in the negotiations at Geneva. In particular it will be necessary to explore the views of the Soviet Government on the voting arrangements under which this and other essential elements of control will be carried out, the criteria which will afford the basis for inspection, and the arrangements which you would be prepared to accept to assure timely access to the site of unidentified events that could be suspected of being nuclear explosions. It will be necessary to know, also, the scientific basis upon which any such number of inspections would be determined and how it would be related to the detection capabilities of the control system. I have noted your understanding that these inspections would not be numerous. The United States has not envisaged an unlimited number of inspections, but adheres to the con-

¹ For the Apr. 13-23 exchange, see BULLETIN of May 18, 1959, p. 704.

² *Ibid.*, Sept. 8, 1958, p. 378.

³ For background, see *ibid.*, May 18, 1959, p. 700.

cept that the number should be in appropriate relationship to scientific facts and detection capabilities.

As I stated in my last communication, if you are prepared to change your present position on the veto, on procedures for on-site inspection, and on early discussion of concrete measures for high altitude detection, we can proceed promptly in the hope of concluding the negotiation of a comprehensive agreement for suspension of nuclear weapons tests. I hope that your position on these basic issues will change sufficiently to make this possible.

There are reports that your representative in Geneva has given some reason for thinking the Soviet Government may be prepared to modify its approach regarding these questions. If this should prove not to be the case, however, I could not accept a situation in which we would do nothing. In that event I would wish to urge your renewed consideration of my alternative proposal. It is that starting now we register and put into effect agreements looking toward the permanent discontinuance of all nuclear weapons tests in phases, expanding the agreement as rapidly as corresponding measures of control can be incorporated in the treaty. I would again propose that toward this end we take now the first and readily attainable step of an agreed suspension of nuclear weapons tests in the atmosphere up to the greatest height to which effective controls can under present circumstances be extended.

In my communication of April thirteenth, I suggested that the first phase of such an agreement should extend to the altitude for which controls were agreed upon by the Geneva Conference of Experts last summer.⁴ We would welcome discussions of the feasibility at the present time of extending the first phase atmospheric agreement to higher altitudes and our representatives in the present negotiations at Geneva are prepared to discuss the technical means for controlling such an agreement.

It is precisely because of my deep desire for a complete discontinuance of nuclear weapons tests that I urge again that you either accept the measures of control that will make such agreement possible now or, as a minimum, that you join now in the first step toward this end which is within

⁴ For text of the experts' report, see *ibid.*, Sept. 22, 1958, p. 453.

our reach. Such a step would assure that no time will be lost in setting up the elements of the system already substantially agreed and in stopping all tests that can be brought under control. While this is being done our negotiators would continue to explore the problems involved in extending the agreement to other weapon tests as quickly as adequate controls can be devised and agreed upon.

Sincerely,

DWIGHT D. EISENHOWER

His Excellency

NIKITA S. KHRUSHCHEV

Chairman of the Council of Ministers

of the Union of Soviet Socialist Republics

Moscow

PREMIER KHRUSHCHEV TO THE PRESIDENT

Official translation

DEAR MR. PRESIDENT: Your answer to my communication to you of April 23rd of this year has been received. The Soviet Government expresses its satisfaction in regard to the statement of the Government of the United States to the effect that the latter does not object to the conclusion of a treaty which would contemplate the cessation of all types of nuclear weapons tests—in the air, underground, under water, and at high altitudes—and that such an agreement is the aim of the United States. In this respect I would like to tell you, Mr. President, that the Soviet Government has always considered and continues to consider that it is precisely such a solution which would fully correspond to the task of preventing the development of new and ever more destructive types of nuclear weapons, and of removing the danger derived from atomic radiation emanating from explosions of such weapons.

The Soviet Government notes with satisfaction the readiness of the Government of the United States to study the proposal concerning the carrying out, on a yearly basis, of a certain previously determined number of inspections both on the territory of the Soviet Union and on the territories of the U.S.A., Great Britain, and their possessions, if the indications of the instruments of control posts give evidence of the presence of phenomena which might be suspected of being nuclear explosions. We continue to be of the opinion that this proposal constitutes a good basis for a solution of the most difficult problem—the problem of sending inspection teams for investigations on the spot. Obtaining agreement on this proposal would open the way to the conclusion of an accord on the cessation of all types of tests.

With respect to the question raised by you, Mr. President, as to the control of the observance of the agreement on the cessation of tests, and to the opinion of the Soviet Government in respect to the procedure of voting which would determine the implementation of the more

important elements of such control, I should like to bring the following to your attention: We consider that agreement on a previously determined number of visits of inspection teams precludes the necessity of voting or of obtaining agreement on that question within the control commission or within any other organization. The sense of our proposal consists precisely in such an elimination of the question of the so-called "veto" in regard to sending inspection teams on the spot. Inspection teams could, for instance, be sent, within the limitations of the agreed number of visits, upon the request of any of the initial parties to the agreement on the cessation of nuclear weapons tests, that is to say: the U.S.A., the U.S.S.R., and Great Britain, in those cases where the indications of the instruments of control posts provide a basis for suspecting a phenomenon of being a nuclear explosion. We are ready to accept the obligation guaranteeing opportune and unhampered access of the inspection teams to the area within the territory of the Soviet Union in which there are observed phenomena suspected of being an atomic explosion, and to which an appropriate party expresses the desire to send such teams.

We note your statement that the United States does not contemplate an unlimited number of inspections and that you are taking into consideration our opinion, according to which such inspections should not be numerous. You write that the number of such inspections should be in definite conformity with scientific facts and opportunities of detection. But I think that you will agree, Mr. President, that there is hardly any need to engage in a study of any criteria for solving such a simple and obvious problem as determining a specific number of visits of inspection teams. Disputes over criteria of this kind might be conducted endlessly, especially if one of the parties did not aim at concluding an agreement for the cessation of nuclear weapons tests. The Soviet Government considers that it might be possible to agree on a number of inspections which will fully guarantee the possibility of detecting violations of the agreement. In this connection in order to restrain countries which might be tempted to violate the agreement and conduct nuclear explosions secretly, no large number of inspection visits would be necessary, of course. The agreement itself as to a specific number of such verifications will have a sobering effect on all governments which might be inclined to conduct concealed nuclear weapons tests.

As far as the Soviet Government is concerned, we have solemnly stated and do state that even in advance we shall strictly adhere to the agreement and shall not violate the agreement concerning the cessation of tests, which will be signed by us.

But we shall not object to having the question of the number of inspections according to agreement between the initial participants of the treaty revised, shall we say, once every two years, on the basis of the estimate of the experience of the work of the control organization.

I do not think that voting on other questions pertaining to the activity of the control organization would be an obstacle to the conclusion of the agreement. It might

be agreed that the decision on the matter of appointing an administrator, for example, would be undertaken by agreement between the initial treaty members in the control commission, and you do not object to this either. We might be guided by the same principle in appointing the personnel of the control posts, inspection groups, etc.

In your letter, Mr. President, you also raise the question of discussing in the very near future concrete measures for the detection of explosions conducted at high altitudes. We agree that on the matter of the cessation of nuclear weapons tests there would be conducted in a short time a technical discussion of concrete measures as to methods of detecting nuclear explosions at high altitudes on the basis of the conclusion of the Geneva meeting of experts, for the purpose of including such methods in the system of control.

The Soviet Government, whose constant desire is the cessation of all types of nuclear weapons tests in any medium and for all time, which is in keeping with the interests of nations, is convinced that on the basis of the considerations set forth above it may be possible to find a solution to such problems as separate us, and sign such an agreement in the very near future.

With sincere esteem,

N. KHRUSHCHEV

May 14, 1959

STATEMENT BY MR. HAGERTY

White House (Denver, Colo.) press release dated May 16

The President did receive a letter from Premier Khrushchev. It came into Washington late yesterday [May 15]. The President had a translation this morning before he left Washington.

The letter is now under study. It apparently seems to indicate some readiness on the part of Premier Khrushchev to negotiate. However, it is clear that there are parts of his letter that are not at all responsive to the President's letter of May 5th, which is herewith released.

Letters of Credence

Czechoslovakia

The newly appointed Ambassador of the Czechoslovak Republic, Miloslav Ruzek, presented his credentials to President Eisenhower on May 20. For texts of the Ambassador's remarks and the President's reply, see Department of State press release 344.

The Road to a Durable Peace

by Deputy Under Secretary Murphy¹

At this moment in our history, when negotiations between representatives of the free nations and of their chief antagonist are taking place in Geneva, we are reminded of the importance of demonstrating, even to those who may hate us, the broad spirit for which Saint Robert Bellarmine was renowned. We know that in such a spirit lies the only road to a durable peace.

Today it might be well to sketch the outlines as I see them of our world which, like that of Saint Robert Bellarmine, is so marked by turbulence and controversy. I would like to touch on some of our thoughts for meeting the challenges and risks we face and perhaps to suggest a few general principles of behavior, personal and national, for dealing with an unpredictable and at times a dangerous situation.

I have mentioned the talks at Geneva. These, as you know, are an important but not necessarily decisive episode of the turbulent postwar years. We would like to hope that these negotiations will prove a sort of watershed, a turning point, in the road toward a more peaceful world. They could be, but in the light of past disappointments we must keep our hopes modest and our defenses high.

A survey of the way stations along the road to Geneva tells us much about what to hope for and what not to hope for in the present situation.

U.S. and Soviet Positions on German Reunification

It is still an open question as to why the Soviet Union chose this particular time to precipitate

¹ Address made at Louisville, Ky., on May 13 (press release 326) when Mr. Murphy received from Bellarmine College the Bellarmine Medal, which is presented annually to a person in national or international affairs who exemplifies the virtues of justice, charity, and temperateness in dealing with difficult and controversial problems.

the issues over Berlin and Germany. One may speculate that one purpose is to consolidate its position in Eastern Europe, and East Germany especially. No doubt the Kremlin leaders entertain anxieties and apprehensions regarding the solidity of their position in East Germany, which has become increasingly important to them for economic, political, and strategic reasons. No doubt the existence of over 2 million citizens in West Berlin who enjoy freedom from Communist dictation and the success of the free-enterprise system offer a disturbing contrast to the drab regimentation of East Berlin and East Germany generally. No doubt the Soviet Union is apprehensive on the score that this awkward situation actually represents a danger to its entire East European satellite structure because of the adverse psychological impact on the Eastern European population. West Berlin provides an escape route for thousands of refugees seeking freedom from Communist controls and is a thorny exhibit in their midst of the human values inherent in a free society and a free-enterprise system.

No doubt the Soviet proposal for a separate peace treaty for East Germany, in contradiction of the doctrine of German political and economic unity to which the Soviet Union agreed at Potsdam in 1945, is a desperate effort to reverse a trend unfavorable to its European aspirations. Soviet leaders have taken the public position that reunification of Germany is not desired by anyone. This harmonizes with their hope to perpetuate the *status quo* in East Germany and eventually to absorb the West Berlin population in what they describe as the Socialist camp. While we do not propose to disrupt the Eastern European situation by forceful methods, we do not plan to participate in any project which has for its purpose the perpetuation of that situation.

We do not propose to lend ourselves to the present Soviet maneuver regarding a separate East German peace treaty.

Whatever the opinion of the Soviet Union may be regarding German reunification, I would doubt that the wishes of the German people themselves can comfortably be ignored. The artificial division of this country, which has existed during the past 14 years, is, I am sure, regarded by the vast majority of Germans as a temporary situation which is bound to be rectified in time. No doubt they, as we, contemplate that this will be accomplished by peaceful and not by warlike methods. I am confident that the German people aspire to the re-creation of a united Germany which will occupy its rightful place among the family of nations, with whom it will live in peace and harmony.

That is why we have favored in our relations with the German Federal Republic its close association with the several European organizations and the North Atlantic Alliance. Neither they nor we contemplate a revival of a footloose and fancy-free Germany dedicated to military adventure. I am sure such a thought would be as repugnant to any intelligent German as it would be to us. German participation in the North Atlantic Alliance is welcomed by us as a stabilizing influence in Europe, and we find in it a guarantee of peace within a framework of collective security.

Tests of Free-World Determination

We all distinctly remember that with the death of Stalin the bankruptcy of the absolute methods of that powerful leader became apparent. It was confirmed by Mr. Khrushchev's attack against the so-called cult of personality, which was much advertised at the Party Congress in Moscow in 1956. Even before this, however, there were intimations that the world would enter a new era of peaceful coexistence. Internationally the new phase began with a summit conference at Geneva in 1955. Most of the arc of Asia was exposed to Communist blandishments and penetration, and this new policy extended to the Arab nations in the Middle East and had a certain appeal in the wave of nationalism which began to sweep over areas of Africa.

In all of this evolution we should not underestimate the strength of the close ties existing between Peiping and Moscow. The last two Con-

gresses of the Communist Party in Moscow have illuminated that close and powerful alliance. When Peiping saw fit to create a crisis over the offshore islands of Quemoy and Matsu by opening an unexpected bombardment, Mr. Khrushchev was quick to voice the solidarity of Moscow and Peiping in this undertaking, although we might have doubted the Russian enthusiasm for this adventure, resulting as it did in dismal failure. It provided, however, another test of free-world determination, one of a series to which we will be exposed, I expect, from time to time.

After the failure in the Far East we were faced by pressures in the Middle East, the wooing of the Arabs by the Soviet Union, offering at bargain rates economic and military assistance under the guise of promoting Arab nationalism. But the iron fist in the velvet glove is bound to be detected sooner or later, and there is apparent a certain disenchantment on the part of the Arabs, as well as many Afro-Asians, regarding the longer range Soviet objectives and methods. This does not leave us oblivious to the danger of Soviet infiltration, and, if we had been complacent, events in Iraq would have promptly dissipated our complacency.

We have more recently been treated to the spectacle of Red China's aggression in Tibet. This provides a classic example of the art of deception as practiced by orthodox communism, which entered into solemn agreements with the Dalai Lama to recognize the traditional autonomy of that area. We have witnessed another example of the duplicity to which that doctrine adapts itself, an application of the old maxim that the end justifies the means. The flight of the Dalai Lama before the latest crude resort to military aggression and brutal treatment of an innocent population has provoked worldwide indignation similar to that which followed the Hungarian tragedy in 1956.

The tactics of our adversaries in the creation of a series of crises or at least critical situations vary from case to case. Undoubtedly they reflect a fundamental party doctrine that communism is to be promoted by constant struggle. The capitalist world is to be harassed and if possible thrown off balance by resort to whatever form of attack is best adapted to a given situation, whether it be psychological warfare, economic pressures, internal subversion, or outright military aggression.

For example, in the case of the present controversy over Berlin the original presentation has been a public declaration followed by an official note,² the wording and tone of which are that of an ultimatum. Since that time we have had a variety of expressions from Soviet leaders assuring us that an ultimatum was not intended, that these are merely proposals for negotiation, and that they would welcome our proposals. In considering the Western position on the Berlin issue, it is to be remembered that Berlin does not exist in isolation but is closely related to the broader question of German reunification and European security. If Germany were reunified, the Berlin problem would be absorbed and disappear.

The Soviet Union takes the position that the reunification of Germany can come about only through direct negotiation between the Federal Republic of Germany and the so-called German Democratic Republic rather than on the basis of an agreement among the Four Powers responsible for a German settlement. At the same time the Russians have steadfastly refused to permit the question of reunification to be brought directly to the German people by the process of free elections. The East German regime, as we all know, was imposed on the German people by Soviet fiat and confirmed by the sham of elections based on a single-party system. In no sense can it be considered as an independent democratic regime freely chosen by the people. Its authority rests exclusively on Soviet military and party backing and control. For us to deal directly with this governmental sham and to cooperate in enabling the East German Communist organization to penetrate and eventually control the present free, independent, and prosperous West Germany would defeat the objectives of the free world in Europe. We do not propose to lend ourselves to a form of political suicide for Germany and for Europe.

Disarmament Negotiations

In our relations with the Soviet Union we have gained valuable perspective regarding the difficulty of negotiations with the Soviet Union in our efforts to achieve some progress on the limitation of arms. As you know, disarmament today is a

² For text of Soviet note of Nov. 27, 1958, and U.S. reply of Dec. 31, see BULLETIN of Jan. 19, 1959, p. 79.

complex, cloudy picture with a troubled history. Efforts to resolve the disarmament problem have been actively pursued in the postwar years, and in these efforts the United Nations has played a major role. It was in this forum that the United States, early in the postwar era, offered to share with the world its then total monopoly of nuclear power, but the Soviet refusal to cooperate blocked that plan. To give the disarmament problem urgent study on a priority basis the United Nations, in the early 1950's, created a Disarmament Commission. The Commission in turn, in an effort to bring about speedy progress, created a Subcommittee, in which it was hoped that in this small working group the major powers could devise an agreed formula for disarmament.

The Subcommittee met many times throughout the period from 1952 to 1957, but it was its extended meeting held for many months in London in 1957 that seemed finally to make unprecedented progress toward an eventual solution of the disarmament problem. For a time the attitude of the Soviet representatives at that meeting appeared reasonable. Then suddenly the Soviet Union reversed itself and abruptly refused to continue what had been viewed as hopeful negotiations. Immediately following its refusal to continue these negotiations the Soviet Union announced that it would boycott the Disarmament Commission and the Subcommittee until a formula was devised to give the Communist countries equal representation within the Disarmament Commission. The United States expressed its firm belief that the Commission must reflect, not the demands of any one group but the membership of the United Nations. After prolonged wrangling the Commission, which has not met since the announced Soviet boycott, is now composed of all 81 members of the United Nations.³ In the future Soviet participation in the Commission is expected.

In early 1958, when it became clear that the Soviet attitude for the moment prevented further useful efforts to progress toward disarmament through the United Nations, the United States proposed a meeting of scientists from both sides of the Iron Curtain to ascertain whether means could be agreed upon of detecting nuclear explosions. These talks, which were held in Geneva,

³ For background, see *ibid.*, Nov. 24, 1958, p. 837.

resulted last August in a technical report which made clear the fact that it was feasible to establish a control system to police a test ban.⁴ President Eisenhower then immediately proposed a meeting at Geneva to negotiate an actual suspension of nuclear weapons tests.⁵ These negotiations continue at Geneva and revolve around the Soviet refusal to agree to an effective and impartial inspection system to assure compliance with the agreement reached.⁶

The United States and the United Kingdom prefer to move toward a comprehensive test ban as quickly as possible. However, Soviet insistence on the veto and reluctance regarding the practical features of inspection have prevented agreement up to now. It was in view of this reluctance that the United States and United Kingdom recently proposed that progress to date in the conference be consolidated by all three parties' agreeing to a ban of tests within the atmosphere and under water as a first step, with outer-space and underground explosions and their inherent difficult political and technical problems left for continued consideration as the negotiations proceed.⁷ As these problems were solved these types of tests would be incorporated in the initial agreement. The question of whether the Soviet Union is prepared to modify its position on the veto and other essential control requirements so that progress can be made on an all-inclusive ban is now under active negotiation in Geneva. We hope they will so that a final, lasting agreement can be quickly reached. If they will not modify their position, we shall press again for a phased approach which would ban tests within the atmosphere now as we work toward an eventual total ban on all tests.

Four Lessons Learned

In speaking of our experience in dealing with representatives of the Soviet Union on the question of disarmament and other matters during the past 15 years it can safely be said that we have learned four general lessons:

First, where agreements have not been self-enforcing or have not contained provisions for an

⁴ *Ibid.*, Sept. 22, 1958, p. 452.

⁵ *Ibid.*, Sept. 8, 1958, p. 378.

⁶ For background, see *ibid.*, May 18, 1959, p. 700.

⁷ *Ibid.*, p. 704.

enforcement mechanism, they have not been enforced.

Second, the Soviet Union is capable of exploiting negotiations for other purposes than the reaching of a meaningful agreement. Their negotiations may simply contemplate a propaganda effect or a tactical distraction or diversion from other issues. Communists, we find, are willing for tactical reasons to sign meaningless agreements which might influence a target nation or people to relax and lower their guard.

In the third place, the disarmament record alone shows that Soviet representatives are tough, relentless bargainers, who make concessions only after they have exhausted every means of gaining advantage. They may use panic, discouragement, internal division, false hopes, or fatigue as weapons in the waging of diplomatic warfare.

In the fourth place, the record shows that, in the few instances where there has been a mutual desire for agreement, meaningful agreements are reached. Where those agreements provide for means of enforcement, they have been enforced.

Therefore we find that the prospect of eventual agreement, of a possible relaxation of tensions, is not hopeless and should not be abandoned. A decade and a half of negotiations has plowed much ground and explored many possibilities. An early Greek philosopher, speaking of the answer to any difficult problem, said: "You must hope against hope or you will not find it." John Foster Dulles put it this way: ⁸ "We must take as our working hypothesis that what is necessary is possible," and his stouthearted example teaches us the soundness of that injunction.

Negotiation is another area in which the example of Saint Robert Bellarmine serves us well. A spirit of justice, temperateness, and charity and the willingness he demonstrated to stand by his convictions—that attitude will also help us keep open the door to the eventual achievement of a firmer world peace.

Iran, a Loyal Free-World Ally

One of the cardinal principles of our present foreign policy is that relating to collective security. It has become obvious to all that in the present world situation and due to the existence of unconventional weapons of staggering destructive

⁸ *Ibid.*, Aug. 12, 1957, p. 267.

potential it is impossible for any one nation to support, alone, the burden that is necessary in this test for survival. Therefore this country has entered into security agreements with over 40 other nations and into a system of worldwide alliances.

An outstanding example of a loyal and courageous free-world ally bordering on the Soviet Union is one of the world's oldest monarchies—Iran. With some several centuries of experience with varying pressures from their large neighbor to the north, the Iranians have learned how to preserve their independence by demonstrating their willingness to cooperate as a neighbor without surrendering their rights to their own integrity and independence. Soviet policies toward Iran, varying little in ultimate objective from those of czarist Russia, have alternated tactically between enticements and threats. Today the Soviet Union is embarked upon a massive propaganda campaign against Iran and its Government which in threadbare, familiar Communist jargon has at times amounted to virtual incitement to revolt.

Whatever superficial attraction claims of Soviet devotion to the cause of the downtrodden, exploited masses may have for the peoples of countries more distant from the U.S.S.R., they ring hollow for Iranians, who recall Soviet attempts in 1945 and 1946 to set up a separate Communist state in the province of Azerbaijan supported by Soviet troops who refused to leave Iran following World War II in clear defiance of written obligations to do so.

Iran has announced to the world its intention to devote its own energies in cooperation with its neighbors to preserving its independence through membership in the purely defensive alliance known as the Baghdad Pact. The United States has on a number of occasions affirmed its intention to take appropriate steps to assist Iran to resist any aggression directed against that country. Most recently the United States reiterated its interest in Iran's continued integrity through the conclusion on March 5, 1959, of a bilateral agreement which expressed our determination to continue to assist Iran for this purpose as well as for the promotion of its economic development.⁹

This is an example of democratic cooperation among countries united in a desire for a peace in which the rights of all nations, large and small, are respected.

Principles of Freedom

I think it is important in our effort to win the peace to be alert to the dangers to our religious ideals and form of society and not to adopt a purely defensive attitude in the face of Communist dangers. In concentrating on anticommunism we run the risk of neglecting the affirmative features of our own program and social evolution. We lend ourselves to a vast amount of free publicity of efforts by the leaders in the Sino-Soviet bloc to promote their ideology and atheistic approach to world problems. The cause of the free world would be advanced far more effectively if we would concentrate on the constructive features of our own free-world programs, the creation of better, more advanced standards of living, scientific and industrial progress, and the development of those spiritual values which are the background of our society. The impulse of our activity must not be merely reaction to Communist moves any more than we should permit ourselves to be paralyzed by fear of Communist attack or seduction by Communist blandishment. We live in a highly competitive universe, and the values on which we rely are being put to test daily. It is our responsibility to make those values attractive to the masses of our free-world populations in a way which will eliminate the temptation to yield to Communist propaganda by the discontented.

President Eisenhower told the Nation in March¹⁰ that

We have lived and will continue to live in a period where emergencies manufactured by the Soviets follow one another like beads on a string.

What the President was making clear is that the pressure we face is not an isolated event but a continuing process. We cannot end the pressure; but we will only increase it by yielding to it.

Our policy for dealing with the total challenge of communism is based upon three broad princi-

⁹ *Ibid.*, Mar. 23, 1959, p. 416.

¹⁰ *Ibid.*, Apr. 6, 1959, p. 467.

ples. I suppose you might call them three principles of freedom.

The first principle is to remove the profit from aggression. This can only be done by means of a realistic capability to penalize aggression and a fearless determination to use that capability if need be. We have such a capability now, and we intend to keep it.

The second principle is to limit the opportunity of subversion. This is done by exercising our leadership to encourage political cooperation, to raise the standard of living for the masses, to improve social conditions and promote development trends among the free nations. Opportunities for Communist advance are essentially negative occurrences. They come about where freedom fails. Our best security lies in making sure that freedom does not fail.

The third principle is to maintain the pressure for peace. Despite every rebuff and disappointment we must continue, as we are continuing, with persistent and imaginative efforts to reduce East-West tensions, to demonstrate that aggression, as at Quemoy and Matsu, is not profitable, and to resolve the issues which threaten peace.

These principles are interlocking. Military capability permits us to resort to diplomatic initiatives and acts as a shield for constructive growth. Economic advance and political stability, in turn, provide firmer support for military defense and diplomatic bargaining power.

And underlying the strength of these three principles of freedom is the foundation which can only be provided by strong and continuous public support. This support depends upon citizens who have a realistic understanding of the continuing nature and the total nature of the Communist competition. It requires a deep faith in the values for which we stand and a capacity to communicate that faith. It requires a capacity to understand the needs of a changing world and the ability to adapt our policies and our lives to these changes. It requires a willingness to take risks in the cause of peace with honor. It requires immense patience, a willingness to share and sacrifice. And above all it requires that spirit of justice, of temperateness, and of charity, in dealing with friends or with enemies, for which the memory of Saint Robert Bellarmine today, more than 500 years after his birth, is revered.

Tributes to John Foster Dulles

John Foster Dulles, Secretary of State from 1953 to 1959, died at Washington, D.C., on May 24. Following are statements in tribute to him made by President Eisenhower, Secretary Herter, and Acting Secretary Dillon.¹

President Eisenhower

White House (Gettysburg, Pa.) press release dated May 24

John Foster Dulles is dead. A lifetime of labor for world peace has ended. His countrymen and all who believe in justice and the rule of law grieve at the passing from the earthly scene of one of the truly great men of our time.

Throughout his life, and particularly during his eventful 6 years as Secretary of State, his courage, his wisdom, and his friendly understanding were devoted to bettering relations among nations. He was a foe only to tyranny.

Because he believed in the dignity of men and in their brotherhood under God, he was an ardent supporter of their deepest hopes and aspirations. From his life and work, humanity will, in the years to come, gain renewed inspiration to work ever harder for the attainment of the goal of peace with justice. In the pursuit of that goal, he ignored every personal cost and sacrifice, however great.

We, who were privileged to work with him, have lost a dear and close friend as all Americans have lost a champion of freedom. United, we extend to Mrs. Dulles, to her children, and to all members of the Dulles family our prayers and deepest sympathy, and the assurance that in our memories will live affection, respect, and admiration for John Foster Dulles.

Secretary Herter

Press release 358 dated May 24

The death of John Foster Dulles will sadden all peoples devoted to the cause of peace with justice. He was a great statesman, firmly dedicated to high principles, who worked incessantly to promote the national interests of the United States and a comity of law among nations. He truly gave his life in the service of his country.

¹Mr. Dillon was Acting Secretary of State in the absence of Secretary Herter, who was attending the Foreign Ministers Conference at Geneva.

The policies for which he strove so valiantly will live on for the day of general acceptance.

Those of us who had the privilege of working closely with him feel a sense of deep personal loss. I know I speak for all members of the Department of State and the Foreign Service in saying that they too mourn his loss.

I am hopeful that developments here in Geneva will permit of my returning for the funeral.

Acting Secretary Dillon

Press release 357 dated May 24

The cause of freedom has suffered a grievous loss in the death of John Foster Dulles. He was a truly remarkable man whose intellectual powers, personal courage, and high moral integrity won him the respect and admiration of free men everywhere. He will be sorely missed by all who believe, as he so fervently believed, that a peaceful and stable world order can be achieved under liberty and justice if we steadfastly pursue policies founded on the principle that "there is a rule of law which is above the rule of man."

U.S. Loan To Assist Finnish Bank To Finance Building of Small Ships

Press release 355 dated May 22

The United States on May 22 signed an agreement lending the equivalent of \$5 million in U.S.-owned Finnish currency to the Industrial Mortgage Bank of Finland to enable the bank to finance construction of small vessels for the Finnish coastal and near-seas fleet.

The ships, which will not exceed 2,500 dead-weight tons in size, will be built in Finnish shipyards.

The loan is being made by the International Cooperation Administration from finnmarks received by the United States from the sale of agricultural commodities, such as wheat, tobacco, and cotton, to Finland under provisions of Public Law 480, the Agricultural Trade Development and Assistance Act. The loan was made to the Industrial Mortgage Bank, a private corporation, at the request of the Government of Finland, which is guaranteeing repayment.

The Finnish Ambassador, Richard R. Seppala, signed the loan agreement on behalf of the bank as well as his Government. Lynn U. Stambaugh, first vice president of the Export-Import Bank of Washington, signed for the United States. The Export-Import Bank will administer the loan for ICA.

The loan will be repayable over a period of 30 years at 4 percent interest if repaid in dollars and 5 percent if repaid in finnmarks. There is a 4-year grace period for principal repayments.

Development Loans

Chile

The United States and Chile on May 20 signed at Washington an agreement whereby the Development Loan Fund will lend Chile \$300,000 to finance design engineering for a new international jet airport at Pudahuel. For details, see Department of State press release 347 dated May 20.

Philippines

The U.S. Development Loan Fund on May 18 announced basic approval of a loan of up to \$5,300,000 to the Bataan Pulp and Paper Mills, Inc., a privately owned firm in Manila. For details, see Department of State press release 338 dated May 18.

On May 19 the DLF signed a \$5 million loan agreement with the Central Bank of the Philippines to finance foreign exchange costs of privately owned small industries in acquiring equipment, materials, and services. For details, see Department of State press release 342 dated May 19.

Sudan

The U.S. Development Loan Fund and the Sudan-American Textile Industry, John Theodoropoulos Co., Ltd., a private corporation with offices in New York, N.Y., signed an agreement on May 22 at Washington, D.C., whereby the DLF will lend the corporation \$10 million to help finance construction and equipment of a textile plant in Khartoum, Sudan. For details, see Department of State press release 353 dated May 22.

The World Health Organization and World Peace

by Francis O. Wilcox

*Assistant Secretary for International Organization Affairs*¹

The National Citizens Committee for the World Health Organization is making an invaluable contribution through its efforts to promote a wider public understanding of the importance of the programs of that Organization. A broad public understanding of this kind is essential if the World Health Organization is to have the support it needs to function effectively. I congratulate you on the job you are doing.

Strong support for the United Nations and its various specialized agencies, such as the World Health Organization, represents a fundamental part of American foreign policy. The American people firmly believe in the United Nations and the purposes and principles of the charter. They believe in the solid work the specialized agencies are doing to help lay the foundations of a just and lasting peace.

For peace, if it is to have real meaning for the common man, must be far more than the mere absence of armed conflict. It must reflect, in a constructive way, man's universal desire to build a more abundant life.

In the WHO Constitution the nations have declared that: "The health of all peoples is fundamental to the attainment of peace and security and is dependent upon the fullest co-operation of individuals and States."

These are not empty words. There is ample evidence already that the World Health Organization, along with the other agencies of the United Nations system, is making real progress in developing firmer foundations for world peace.

WHO and the United Nations System

The achievements of the World Health Organization as a force for peace can best be reviewed against a background of the dual and complementary nature of the entire United Nations system.

Most of us who attended the San Francisco conference in 1945 had two main objectives in mind.

The first of these objectives was to give real substance to the concept of collective security so that world peace could be maintained. To this end the Security Council was given the authority to move quickly and decisively in order to put down aggression. And the General Assembly was created to serve as the organized conscience of mankind.

We all know that so far this effort has been only partially successful. The effectiveness of the Security Council, which was predicated on a unanimity of views among the permanent members, has been sorely hampered by the excessive use of the veto. Consequently we have had to strengthen the role of the General Assembly. In addition the free world has found it necessary to enter into regional pacts which supplement the United Nations structure as a means of forestalling aggression. Even so, the United Nations has settled a good many serious disputes and on several occasions has actually stopped shooting wars.

Our other major objective at San Francisco was to devise means for closer international cooperation in advancing the social and economic well-being of mankind—better education, better food, better health. Most of the delegates there were of course vividly aware of the devastations of World War II, then not ended. But beyond that, and even more profoundly, they were aware

¹ Address made before the National Citizens Committee for the World Health Organization at Washington, D.C., on May 7 (press release 312).

of the stark contrast which has existed since the days of the industrial revolution, a contrast between conditions of life for a minority of mankind and those of the majority. I refer to the ever-widening gap between the living standards of the more fortunate peoples of the United States and Europe, and the subsistence or even starvation level of two-thirds of mankind in what we now term the underdeveloped countries. They knew that there would be no chance for stable peace unless all peoples had the opportunity to advance in human, social, and economic terms.

In reporting on the work done by the San Francisco conference, the United States delegation said:

The battle of peace has to be fought on two fronts. The first is the security front where victory spells freedom from fear. The second is the economic and social front where victory means freedom from want. Only victory on both fronts can assure the world of an enduring peace.

Thus the United Nations pledged themselves to cooperate to solve economic, social, educational, health, and related problems. They also agreed that the various specialized agencies, established by intergovernmental agreement and having wide international responsibilities regarding these problems, should be tied in with the United Nations through the Economic and Social Council. The United Nations system represents an effort to prevent the application, through conflict, of our grim technology of destruction; it also represents an effort to further the application, through cooperation, of our potentially boundless technology of human welfare.

Since San Francisco we have gone through a protracted period of cold war. But there has been enough peace to enable the specialized agencies to begin their important tasks. For many years the attitude of the U.S.S.R. toward these agencies was decidedly cool. While in some cases participating in their founding or revival after World War II, the U.S.S.R. for many years thereafter refused to participate or cooperate in them. They had nothing for the specialized agencies but ridicule and criticism.

So far as the World Health Organization is concerned, the U.S.S.R. withdrew in 1949 and did not resume active participation until 2 years ago. Today, however, we find the Soviets actively participating in WHO and most of the other specialized agencies, with the usual declarations of their

willingness to cooperate. We must face frankly the fact that we do not know as yet to what extent this renewed participation is sincere or to what extent it may be an extension, in new form, of the cold war.

We do know, however, that the U.S.S.R. is now engaged in what appears to be a worldwide economic and social offensive, designed to increase Soviet influence in the underdeveloped areas of the world. It may be that renewed Soviet activity in the specialized agencies is part and parcel of this worldwide campaign. For our part we sincerely believe that the specialized agencies, rightly used, open great opportunities for cooperation, for learning to work together, and for building more pathways to genuine communication among the people of the world. We intend to continue cooperating in them for their technical and humanitarian objectives, and we hope that all other countries, including the U.S.S.R., will do likewise.

Achievements of the World Health Organization

Some critics complain that the United Nations is a one-way street through which American support is given and little or nothing is received in return. I know of no more convincing evidence of the falsity of this assertion than the record of the World Health Organization. Let us consider this record for a moment.

The fact is that the WHO programs benefit the health of all Americans in many ways. The direct benefits are important, because they mean that WHO is effectively expressing a central principle of international organization, namely, that the members should work together to achieve their common goals. In practical terms this means that each nation makes financial and technical contributions to the extent that it is able to do so, and also that each nation in return receives real benefits. This principle of mutual effort and mutual returns is at the heart of international cooperation. Its successful observance is assurance to Americans, as to others, that the cooperation is valuable and the organization worth while. The direct benefits which a people derive from membership in an organization give them a vested interest in it and its patterns of cooperation, the fruits of which they can see in an immediate and tangible way.

First, the World Health Organization makes

possible the rapid reporting of disease outbreaks almost anywhere in the world. Radio stations in many countries cooperate in broadcasting WHO epidemiological bulletins—a most concrete example of international cooperation. The Public Health Service makes constant use of the information so obtained and in doing so helps to protect the American people against disease which might spread to our shores. As disease outbreaks are reported, almost universal application of quarantine measures protects Americans at home and abroad against infection. In this jet age germs can travel faster than sound. These measures combine maximum protection against spread of disease with minimum interference with travel and trade.

Second, the World Health Organization promotes the exchange of ideas and makes available to the United States up-to-date information on health and medical advances in other parts of the world. Free international exchange of experience and ideas is of course close to the heart of progress in health, as in other fields. WHO does this through publications, expert seminars and conferences, and a series of 36 expert advisory panels, with a total membership of over 1,400 health experts, including 300 in the United States.

As part of this effort WHO helps to organize cooperation between laboratories in different countries, including the United States, for exchange of information and samples and for coordinated research projects. International laboratory networks now cooperate under the aegis of WHO in influenza, poliomyelitis, other virus diseases, intestinal parasites, brucellosis, and other fields.

Third, through recommended common names for drugs, recommended specifications, and preparation of biological standards WHO helps assure ready identification of commonly used drugs throughout the world and comparable standards of purity and potency for drugs and biologicals. The value to the growing numbers of Americans traveling or living in other countries, as well as to our pharmaceutical profession and industry, is obvious.

Fourth, the fundamental way to protect Americans against contracting infectious disease is to control or eradicate it at its source, anywhere in the world. Through its technical assistance pro-

grams WHO is greatly helping countries to accomplish this purpose.

Each of these services which I have listed benefits the health of Americans in a variety of ways. Most of these programs by their very nature are international in scope. They cannot possibly be carried on by only one or two countries. They are among the basic reasons for international cooperation in health and for the existence of a World Health Organization through which nations pool resources and work together.

Even if there were no other reasons for United States membership these services would repay many times our contributions to WHO. After serving on the United States delegation to the 10th World Health Assembly in 1957, Congressman [Charles A.] Wolverton of New Jersey stated:

I know of no money that is being spent with greater effect than the small resources of the WHO. Truly, it is changing the world for the better, building a strong and more resourceful human race.

WHO and the Complex of Misery

This statement highlights for us the fact that WHO programs also benefit the health of all other peoples. The majority of mankind is still victim of the age-old complex of misery—a complex composed of illiteracy, starvation, disease, apathy, poverty. Therefore disease should be high on the list of our targets of attack. The attainment of health as a normal condition of life for all men, and as a basis for human advance, does not in itself guarantee conditions of peace. However, without attacking disease and other key factors of the complex of misery, there can be no hope of stable peace. It is clear, therefore, that the United States has a vital and a direct interest in the benefits which other countries receive from membership in the World Health Organization.

When the World Health Organization was founded 11 years ago it assigned first priority to an effective control of major communicable diseases, the age-old scourges of mankind. The economically advanced countries of the Western World had already demonstrated that we have the technical means to curb these diseases. Now the underdeveloped nations also, with essential aid and guidance from WHO, have made a magnifi-

cent attack on them. Malaria has been reduced by 50 percent, from 300 million to 150 million cases a year. WHO and UNICEF have tested over 200 million persons and vaccinated 80 million against tuberculosis. Today this dread disease is on the decline. Real progress has been made toward the elimination of yaws. Approximately 55 million people have been examined and 16 million successfully treated. Substantial progress also has been made in combating other scourges—yellow fever, leprosy, trachoma, smallpox.

This steady advance in the war against disease does not make headlines. But when the historian of the future assesses the events of our era, he will surely credit these concerted campaigns for the total elimination of diseases as among the most remarkable and important achievements of mankind. Their significance for the future is, in my opinion, greater than many of the highly publicized political debates in the Security Council and the General Assembly.

This progress means that men are able at last to use their energies for their own betterment, not for feeding the parasites of disease. This new releasing of men's energies for their rightful uses is an event of the utmost human and economic importance.

But many other things are necessary for good public health besides the campaigns against mass infectious diseases. Attacking these is like attacking the worst symptoms of *ill* health. It is necessary, but it is also necessary to go further and build the enduring bases of *good* health. Consequently, as a result of agreement on the part of the member countries the World Health Organization now gives priority to helping countries organize adequate national and local health services. This it does through assistance in public health administration, maternal and child health, public health nursing, environmental sanitation, and, perhaps most basic of all, in training.

In its first 10 years WHO awarded almost 8,000 training fellowships to medical and health personnel. The need for well-trained personnel remains great, but this is a tangible start. It represents an average of almost 100 health workers, per member country, who have received better training. Many countries have previously had almost none at all. The worldwide services of WHO—disease reporting, quarantine, mobilization, and exchange of knowledge and the rest—

are constantly increasing in value to the underdeveloped areas.

This is an unparalleled record of worldwide achievement for health. It provides clear proof of what cooperative action can achieve. The health problems which remain are still tremendous. But they are not disheartening. We have confidence that they can be surmounted. The World Health Organization and other programs which complement it, such as the International Cooperation Administration, have already demonstrated that these problems are not insoluble.

WHO as Coordinator and Catalyst

Naturally the World Health Organization has not achieved this record entirely on its own, nor would it aspire to do so. Many national and international organizations are working to raise levels of health around the world. The WHO has established effective working relations with numerous organizations, such as the national health agencies of member states, ICA, and regional health agencies like the Pan American Sanitary Bureau, which is also WHO's regional office for the Americas.

In addition WHO has accorded affiliated status to some 40 international nongovernmental health organizations. Within the United Nations system, too, various agencies are working together with WHO, evolving effective patterns of relationships wherever common problems and needs appear. The United Nations itself is promoting projects such as housing and community development. Associated agencies have responsibilities in such undertakings as the health of mothers and children, nutrition, occupational health, medical sciences, and sanitation of airports. I have in mind such agencies as the United Nations Children's Fund, the Food and Agriculture Organization, the International Labor Organization, the United Nations Educational, Scientific and Cultural Organization, and the International Civil Aviation Organization. The 12th World Health Assembly is expected to approve a relationship agreement with the International Atomic Energy Agency. Atomic energy is part of the broad field of the health aspects of radiation, in which WHO can make an important contribution.

In these many ways WHO fulfills the role of "coordinator on international health work" assigned to it by the member nations. Acting only

by consent, through its influence and prestige, WHO has become a rallying point and guide in international efforts for better health. Its programs have likewise become part of a broader range of interrelated action, in the effort to apply the technology of human welfare to the conditions of life. To emphasize health alone would be self-defeating. Simultaneous action on all fronts—education, agriculture, health—assures the greater effectiveness of all, as a basis for peace.

The same increasing sense of community among nations, through learning to work together in health and related fields, is also taking place within nations. Peoples everywhere are demanding a better life. In my travels in Asia I have found that the peoples of that vast continent are becoming increasingly aware of the fact that they need not accept filth, disease, and misery as normal conditions of life. This new attitude will have a profound impact on the world in the future.

As a result many governments are learning to face up to the complex of misery and to take measures to attack it on many fronts. Here, too, WHO and the other specialized agencies of the United Nations are a help and a guide. Through example and advice they encourage the process of working together on the national plane. In the long run this development can have far-reaching consequences for the effectiveness of governments in helping peoples to meet their basic needs. Meeting human needs is, after all, the ultimate justification of government, and without this there can be little cohesion in society, little sense of community in the world.

WHO and International Cooperation

This brings me to what I believe is the most fundamental relation of the World Health Organization to world peace, particularly from the viewpoint of the United States. The activities of WHO, by their nature and their progress, are helping nations to acquire habits and attitudes of working together and a vested interest in cooperation. These habits and attitudes are, I am sure, "transferable" and will subtly but surely have a beneficial influence on the political climate in the world.

I am aware that such statements are challenged as not being in accord with the realities of power

politics. Yet I am convinced that, even though the specialized agencies are young in years, their activities afford a real potential for the advancement of peace and cooperation. They are building new links between nations which represent the realities of a new kind of politics—the politics of human welfare rather than power. If we can prevent the outbreak of thermonuclear war in the near future, these agencies can significantly reduce its likelihood in the long run.

In this connection I like to recall the words of Dr. Raymond B. Fosdick some 14 years ago, when he was president of the Rockefeller Foundation, a pioneer in the field of international health. At that time he defined incisively the contributions which an organization like WHO could make to world peace. Let me quote him.

The community of nations has got to have a kind of intellectual and spiritual integration before it can be absolutely sure that the forces of violence are under control. Consequently there must be developed for international life new areas and techniques of cooperative action. . . . We need rallying points of unity, centers around which men of differing cultures and faiths can combine, defined fields of need or goals of effort in which by pooling its brains and resources the human race can add to its own well-being. . . .

Dr. Fosdick saw hope only "as we begin to build, brick by brick, in these areas of common interest where cooperation is possible and the results are of benefit to all." Public health, he said, can be an important area of common interest, a rallying point of unity.

It has long been firm United States policy to support the evolution of the specialized agencies as part of the framework of cooperation for peace. Even while World War II was being fought the United States and its Allies were engaged in extensive and painstaking study and planning which ultimately resulted in the creation of the United Nations. One of the major premises of this planning was that, if nations could learn to cooperate in the technical fields of mutual interest, the result might produce a sense of world community which would reduce the likelihood of war. As we have seen, this concept was then built into the United Nations Charter. It has furnished the basis for the progress which has been made in the social and economic advancement of mankind.

Nowhere has this concept of international cooperation been more effectively implemented than in the efforts of the World Health Organization.

It is proving its worth to the United States through direct benefits to our health. It is providing similar benefits to other member countries. It is a vital element in the growing pattern of international cooperation for the advancement of peoples everywhere. It is fostering the habit among nations of working together. In this way the WHO is working as a real force for world peace.

The Challenge to WHO

This, however, is not enough. The World Health Organization must continue its advance into this challenging frontier. Like all live and growing human agencies it faces many difficult problems. Most urgent of these is a more effective use by member nations of the World Health Organization for the improvement of health conditions. Only by this increased use will the Organization grow stronger and more effective. But there are other pressing needs as well.

First, we believe that the World Health Organization must consolidate its major programs in disease eradication, environmental sanitation, and building health services while simultaneously moving to meet new health needs. Malaria eradication still needs special priority. The worldwide campaign has made sufficient progress so that difficulties are becoming apparent in techniques, administration, and the allocation of resources. But I am confident that the nations involved, with the help of WHO, will overcome these obstacles. Malaria will disappear from the face of the earth.

At the same time WHO, with United States support, is preparing to meet newer health needs. As more knowledge is gained about the chronic diseases—cancer, heart disease, diabetes—it becomes evident that more international cooperation is required to probe their causes, cure, and prevention. This applies also to mental illness, for in developing our material comforts we have also vastly increased the mental stresses and strains to which our organism is exposed. The plan which WHO has drawn up with our aid, providing for expansion of WHO's unique means of stimulating and coordinating research activities, will be considered by the 12th World Health Assembly.

Mankind's "population explosion," as it is often called, is also part of the dynamic challenge to WHO. In 1798 Malthus wrote with some conviction that population pressures would always

tend to keep man at subsistence level. He observed pessimistically that for this reason Jenner's proposals for vaccination against smallpox, published the same year, were a waste of time. Now it is again clear that health measures add to population pressures. President Eisenhower in his message to Congress on the mutual security program and the realities of 1959² referred to the new and striking

. . . revolution in medicine, nutrition, and sanitation . . . increasing the energies and lengthening the lives of people in the most remote areas. As a result of lowered infant mortality, longer lives, and the accelerating conquest of famine, there is underway a population explosion so incredibly great that in little more than another generation the population of the world is expected to double.

This means that in our lifetime the earth's population may reach the astounding total of 5 or 6 billion people. In the same message the President again pledged that the United States would continue "to support and promote the accelerating international fight against disease" and estimated that the total international health expenditures of the United States Government in the next fiscal year will approach \$100 million. There are compelling reasons for our contribution.

Some people—like Malthus—may argue that the WHO, by improving health standards, is making the world's population problem worse rather than better. Why should we make an all-out effort to increase man's life span, the argument runs, when there are already more people on this earth than we can maintain at a satisfactory standard of living?

To me this argument is just about as convincing as the sound of a lead dollar. It is unthinkable that we who have the means to health would attempt to withhold it from others. We have always believed in the dignity and worth of the human being and the full development of his potentialities. This includes good health.

But, in addition to the moral arguments, health would seem to be an absolutely essential prerequisite for any sound economic development program. Where people are disease-ridden and debilitated they obviously cannot make any substantial contributions to their country's economic progress. WHO is thus giving people in many nations strength to build and grow the things they need for a more abundant life.

² BULLETIN of Mar. 30, 1959, p. 427.

There is, then, a satisfactory solution to the dilemma we face. The answer, the only answer, lies in moving forward on all fronts of social and economic development. Our technology is progressing at a prodigious rate, and men are now committed to that rate of advance throughout the world. Indeed there are encouraging indications that the production of food, while still not sufficient, is beginning to keep pace with—and perhaps even exceed—population growth for the first time in modern history.

This is indeed a heartening development. It presages the time when the Malthusian doctrine will be completely discredited by man's technical ingenuity and his determination to win out over the forces of nature.

For us to admit that mankind cannot sufficiently apply the technology of human welfare is to admit fearful defeat. We *can* apply it, in peace and progress, for the ultimate fulfillment of human potentialities. Agencies such as the World Health Organization are at the forefront of this great struggle to better man's lot in life.

The Role of the United States in Africa: Our Interests and Operations

by James K. Penfield

Deputy Assistant Secretary for African Affairs¹

Africa is not only a fascinating part of the world but what happens there is of very great importance to all of us. I am therefore particularly pleased that you have so hospitably invited me to come here tonight to address the Mundelein College Institute on this challenging continent.

Africa is 3½ times as large as the United States. It includes about a fifth of the land area of the entire world. It has a population of some 220 million people of all races, speaking over 700 different languages or dialects. Most important, it is in a state of profound political, economic, and social change. Current developments there are as fundamental as those which occurred during the industrial revolution in Western Europe or following the Bolshevik revolution in Russia. The New York *Times* recently said editorially that "one of the outstanding phenomena of the contemporary world" is what it calls "the sudden, thrilling, agonizing upheaval of the African races after countless centuries of primitiveness, subjection and isolation from the civilized world."

What can one say about an area so vast and changing? In considering this question it seemed

to me that it might be interesting to summarize for you our own American interests and operations in Africa. In the process I can perhaps also give you some idea of the changes taking place there and what they mean to us.

To start with, may I cite a few generalities? It's helpful to me in thinking about this continent of such immense diversity to divide it, like Caesar's Gaul, into three parts. First, there is the Mediterranean littoral north of the Sahara. Here we have a group of political entities including Morocco, Algeria, Tunisia, Libya, and Egypt, most of them newly independent countries and all of them with essentially Arab populations. It is interesting to note, however, that these African peoples, except for the Egyptians, consider themselves different from the Near Eastern Arabs, and many will tell you that they are as much a part of the "African personality" as the Africans south of the Sahara, whose leaders have recently been doing much talking about this continental attribute. The political life of this northern African area at present is dominated by the complexities of the struggle in Algeria. We all hope that this bitter dispute can be settled on a political basis which all can accept and that this area may thus be given the opportunity to develop in peace, with France as its friend and partner.

¹ Address made before the Institute on African Affairs at Mundelein College, Chicago, Ill., on May 15 (press release 325 dated May 13).

The second great division is the area of East, Central, and South Africa stretching from Kenya in the north to the Union of South Africa in the south. This part of Africa is under white domination, and the black man's demand for freedom and independence is not easy to satisfy because in much of the area there is a settled white population which also considers Africa its home and is unwilling to give up its political power. The immediate problem here is how to reconcile these conflicting forces.

Finally, we come to West Africa. Here there is no white-settler problem and independence is being achieved at a breathtaking tempo. Of course some areas are more developed and more politically mature than others, and we certainly do not believe in independence without regard to the capability to assume its responsibilities. But there seems to be no stopping the tide, and it is indeed thrilling to see peoples long under colonial rule assuming the responsibilities of independence and joining the family of nations.

To illustrate how rapid this development is and how the tempo is increasing, let me review for you the postwar African independence timetable.

In December 1951 Libya became independent. Four years later, early in 1956, Sudan, Morocco, and Tunisia followed suit. In March 1957 the former British colony of the Gold Coast became the independent state of Ghana. Last fall Guinea voted to reject the new French Constitution and became fully independent. Next year Cameroun, Togo, Nigeria, and Somalia are all slated for independence. Thus in just 9 years we will have seen 10 new African nations born or reborn, half of them in the last 3 years of this period. And this is not the end. Rather it is just the beginning.

Now tonight we are considering our own American interests in this dynamic continent. But, lest my recital give you a distorted idea of the relative importance of these interests, I must emphasize at the outset that statistically our role is a minor one. In terms of trade, administration, political and economic development, and education the European colonial or former colonial powers have contributed far more to Africa than have we. Moreover these powers are continuing their interest and contributions, adapting them in an enlightened and sympathetic way to the rapidly changing situation. We regard this as natural, and we welcome it. We have no desire

to interfere with the fruitful development of these new relationships, and in fact we are taking particular care to avoid slipping into such a position, which could only result in friction and rivalry contrary to the best interests of the new African states, of our European allies, and of ourselves.

U.S. Interests in Africa

Historically our first interest in Africa was both humanitarian and religious.

Way back in 1772 Samuel Hopkins published a plan for training free Negroes of the United States as colonizers and missionaries for Africa. By 1794 Congress began enacting laws to end the infamous slave trade, and by 1818 this trade was formally defined as piracy. In 1821 Congress passed a law authorizing the President to undertake "proper negotiations" with residents of the coast of Africa as agents for receiving free American Negroes.

Finally, in 1822, after several abortive attempts to establish a colony in West Africa, President James Monroe appointed Dr. Eli Ayres as colonizing agent and dispatched the U.S. Navy schooner *Alligator* to escort the colonists to the shore of what is now Liberia. Dr. Ayres and the commander of the *Alligator* "energetically persuaded" the tribal chiefs to sell the sponsors of the expedition, the American Colonization Society, a strip of land along the coast. The settlement established here, named Monrovia in honor of the President who had done so much to make the project possible, subsequently became the capital when the free and independent Republic of Liberia was proclaimed in 1847.

We also had a very early interest in North Africa. In 1786 Thomas Barclay of Pennsylvania negotiated a treaty with Morocco, and later, in 1825, the Sultan gave us a building in Tangier which is our consulate general there today. The United States Government has owned and occupied it longer than any other property abroad, and I suspect that there are few Government buildings in this country which can match this 134-year record. Then there was the American consul in Zanzibar who was among the first to greet the new British consul when he first arrived on that exotic island where East meets West in an aroma of cloves.

Since the early 19th century American missionary activity on the African Continent has been ex-

tensive. Today more than 6,500 American missionaries, representing scores of home offices, boards, and orders in the United States, are at work throughout Africa.

Our interest in African trade is also an old one, dating from the old New England clipper-ship days. As a matter of fact the coarse cloth in common use in East Africa is known to this day as *americani*. Today United States trade with Africa totals about \$1.2 billion annually, and our investment in the continent amounts to almost \$1 billion.

Strategically Africa is of utmost importance in 20th-century geopolitics. It is clear that a friendly Africa, particularly North Africa, is vital to the defense of Europe and NATO's southern flank. To deter aggression and strengthen overall free-world security the United States maintains important naval and air bases in Morocco, an air base in Libya, and communication facilities in Ethiopia.

The Suez Canal closing in 1956 demonstrated the importance of friendly African ports along the Cape of Good Hope route as an alternative for oil shipments from the Persian Gulf to the free world and for uninterrupted contact with the Middle and Far East.

Also important from the strategic, as well as the commercial, point of view is the fact that Africa, particularly sub-Saharan Africa, provides the United States with many of its most essential raw materials, such as uranium, cobalt, diamonds, columbite, gold, and manganese, to name but a few.

In addition to the interests I have already cited Americans have a very keen and natural popular interest in a continent to which 10 percent of our population can trace its ancestry. This interest has always been endemic, one might say, but recently it has been growing at a very encouraging pace. American, including Negro American, educators, businessmen, Government officials, newspapermen, and even tourists are increasingly playing a sympathetic and constructive role in African development.

U.S. Objectives in Africa

The United States interests in Africa, which I've just described, constitute a very natural and logical basis for our policies and objectives there. The United States seeks to demonstrate to the

African peoples a friendly interest in their welfare for their own sake.

We seek to encourage the sound and orderly development of the continent in a manner consistent with free-world ideals.

We recognize that membership in the 20th-century family of nations carries with it responsibilities; that the interdependence of the world community is an established fact which must be appreciated in Africa, too; and that all peoples permanently resident in Africa have legitimate interests for which they can rightfully demand fair and just consideration.

The African people look to the United States for assistance in achieving social, economic, and political progress. They look to us for spiritual leadership and sympathy for their aspirations, and they expect us to apply our historic ideals to our foreign policy. It is our objective to live up to these expectations.

U.S. Operations in Africa

The United States expresses its official interest and carries out its policies in Africa through the maintenance of diplomatic and consular representation; through participation in the United Nations and its various organizations active in Africa; through economic and technical aid, military assistance, and developmental loan programs; information and educational exchange operations; cultural and athletic presentations; trade missions; and participation in international trade fairs. In other words we are using in Africa today on an increasing scale all the normal tools for the conduct of international relations which we employ elsewhere throughout the world. But it has not always been this way. The history of American official concern with Africa is a long one, but until recent years its record of intensity and consistency has been very spotty.

I've already mentioned Thomas Barclay and his 1786 treaty with Morocco, as well as that early consul at Zanzibar. There are also other examples of sporadic official American interest and activity throughout Africa. For instance we appointed an "Agent" to the States of the Congo Association in 1884, and in 1903 we sent a "Commissioner and Plenipotentiary" to Ethiopia. However, by and large substantial official U.S. attention to Africa is a relatively recent development.

The CANARY IS. are under the jurisdiction of the Bureau of European Affairs.



Boundaries are not necessarily those recognized by the U.S. Government.

Within the State Department Ethiopia and the north African littoral forming part of the old Ottoman Empire were traditionally the responsibility of the old Near Eastern Division, originally organized to handle our relations with the two eastern empires, the Austro-Hungarian and the Ottoman. But up until just over 20 years ago the rest of Africa was almost completely ignored by official Washington. When we were forced to put our minds to an African question—as occurred from time to time in connection with Liberia, for instance—the question was usually handled as an esoteric and momentary diversion by some junior officer of the Western European Division. Fortunately, in view of Africa's later importance to us during the war, responsibility for much of the continent was transferred to the Near Eastern area in 1937 and a responsible official was assigned to working full time on African problems. In 1943 a separate organizational unit, the African Division, was set up within the Near Eastern Office, and since then official interest and attention to Africa has increased steadily, culminating in congressional authorization last summer for an additional Assistant Secretary of State for African Affairs.² On August 20 the President appointed to this post Mr. Joseph C. Satterthwaite, who had previously served as Minister at Tangier and as Director of the Office of Near Eastern and African Affairs. The Bureau of African Affairs is now fully operating with a staff of over 70 persons in Washington and is charged with responsibility for our relations with most of the continent on the same level as the Department's other four geographic bureaus, those concerned with Europe, the Far East, the American Republics, and the Near East and South Asia.

In the field the U.S. now has 10 embassies, 14 consulates general, 14 consulates, and 2 independent USIS offices³ in Africa. Six offices—5 new consulates and 1 new embassy—have been opened since last January alone. Their locations will give you an idea of the extent of our present official interest in Africa. The Embassy is at Conakry, capital of the new state of Guinea, and the consulates are at Freetown, Sierra Leone; Lomé,

² For announcement of the establishment of the Bureau of African Affairs, see BULLETIN of Sept. 22, 1958, p. 475.

³ The overseas offices of the U.S. Information Agency are known as USIS (U.S. Information Service).

capital of Togo; Brazzaville, capital of the Congo Republic; Kaduna, capital of the northern region of Nigeria—all in West Africa; and Tananarive, capital of the Malgache Republic, doubtless more familiar to you as Madagascar.

It's interesting to note the changes which have taken place in this list in the last 20 years. In 1939, on the eve of World War II, we had 4 legations, 3 consulates general, 8 consulates, and 1 consular agency, a total of 16 offices as compared with 40 today. Curiously, however, at Djibouti, French Somaliland, we had a consular agency in 1939 but we are not represented there today.

All our field offices perform the traditional diplomatic and consular duties. Autonomy is developing at such a pace in some of the still technically colonial areas—Nigeria and Somalia, for example—that our consulates general there are already carrying many of the negotiating and representational responsibilities of embassies. Also our offices in the field act as bases for the operation of the various economic, technical cooperation, and military assistance programs, as well as information and educational exchange programs.

Aid Programs in Africa

The United States is currently providing economic or technical assistance to some 13 African countries and territories. In addition we give military assistance on a modest scale to Ethiopia and Libya.

Our economic assistance under the Mutual Security Act has risen from less than \$62 million in fiscal year 1958 to a planned \$88.3 million for the coming 1960 fiscal year. These dollars are usually used to purchase commodities which are sold in the country for local currency which, in turn, is then used in development projects in the country.

The Development Loan Fund (DLF), a relatively new Government agency, has approved loans to Liberia, Nigeria, Tunisia, Libya, and Somalia and has additional African loans pending. The Export-Import Bank has been lending African states and territories up to \$15 million annually for development projects and just last month approved a substantial loan for Liberia. Surplus agricultural commodities have been provided to several African states and territories.

We also have a technical cooperation program in Africa for which over \$20 million is being budgeted for the coming fiscal year, almost twice

the level of 2 years ago. Under this program there are about 650 American technicians at work in Africa compared to only about half that number in June of 1957.

Technical cooperation activities are most numerous in the fields of agriculture—Africa's primary economic enterprise—and in vocational, primary, and teacher education. Increasing emphasis is now being placed on multilateral cooperation. This includes creating regional training centers, studying regional resources, and financing attendance of students from several countries at the American University of Beirut.

United States economic and technical assistance has already accomplished much in Africa. Schools have been established and others strengthened to provide badly needed agricultural and other vocational skills. A good start has been made in demonstrating measures to make better use of scarce water supplies in arid or semiarid regions. Inroads have been made on debilitating diseases such as malaria and trachoma, and tools and technical knowledge have been provided to push the fight to create healthy populations. A start has been made in preparing inventories of African resources and in improving transportation and communication facilities. Also activities are developing to encourage the expansion of private business enterprise in Africa through such measures as small-industry loan funds, development banks, and agricultural credit institutions.

In addition to maintaining its own assistance programs the United States provides 40 percent of the funds of the International Bank for Reconstruction and Development (IBRD), which has already loaned African states and territories more than \$400 million since its operations began. We also contribute a large proportion of the funds allocated to the United Nations Expanded Technical Assistance Program, which will spend about \$4 million in African projects this fiscal year.

The European countries with African dependencies, however, have been providing at least \$600 million a year for economic assistance and investment in Africa. So you can see that, as I mentioned earlier, although American assistance is increasing and already has made significant contributions to Africa, it still plays a very secondary role on the continent. This is quite a contrast to the situation in many other parts of the world where we have substantial aid programs and should be borne in mind by those who

advocate more aggressive American economic and political policies in Africa.

USIA

The United States Information Agency currently operates in 26 cities in 13 African countries.

USIS programs seek to explain American foreign policy and particularly American policy toward Africa to the African peoples. Through press and radio output, libraries, films, lectures, English teaching, and similar activities, USIS attempts to promote an understanding of the various aspects of American life including our racial attitudes and progress in racial integration. A major objective is to counter the Communist propaganda effort in Africa.

As part of its program the Agency produces media specifically tailored to African audiences. Since 1957 alone it has produced five documentary films for Africa and is periodically producing an African newsreel entitled "Today" which is seen by approximately 2 million Africans. The Agency also produces a monthly newspaper in Accra, distributes over 100,000 copies in English-speaking West Africa, and hopes soon to expand its distribution to the Sudan and Ethiopia.

The Voice of America sponsors a half-hour daily shortwave news and features program for Africa. USIS reading rooms and libraries provide literate Africans with the opportunity to learn more about American culture and history. In some places these facilities provide a unique means for large groups of Africans to learn something about American thought and life. In four African countries USIS sponsors English lessons, which also provide a wonderful opportunity to present many aspects of American life to local leaders.

Exchange of Persons Program

Closely allied to USIS operations is the State Department's international educational exchange program, which has been in effect in Africa since shortly after World War II. Just since 1957, 567 African leaders, specialists, educators, and students have visited the United States under this program, and 118 American teachers, lecturers, and specialists have visited Africa. This year exchanges are being carried out with 24 independent countries and dependent areas on the African Continent, and we hope for a 50 percent increase in this program in 1960. Distinguished visitors

have included the Chief Justices of the Federation of Rhodesia and Nyasaland and of Ghana, a prominent doctor and civic leader from Nairobi, two Federal members of Parliament and two tribal chiefs from Nigeria, an Assistant Secretary of State from Liberia, and the Cameroun Minister for Economic Affairs.

On the sending side 63 American grantees are now assigned to Africa. Americans are teaching English in Morocco at the Government's request. American specialists have been serving in Ethiopia as consultants in setting up a college-level program and in training Ethiopian teachers. And American teachers and lecturers have been teaching courses in such fields as agricultural engineering, American literature, nutrition, and biology in almost a dozen African educational institutions.

Cultural and Athletic Presentations

Under the auspices of the President's Special International Program, the Department of State has been sending athletic teams and coaches as well as cultural presentations of all types to Africa during the last 3 years. A five-man mixed American track team, part white and part colored, is even now touring in Africa under this program. Parry O'Brien, world shotput record holder, Don Bragg, world pole-vault champion, and their teammates are having great success competing with and coaching Africans.

Some of you may have noticed a recent New York *Times* story telling how the Westminster Singers, a choral group of 22 graduates of the Westminster Choir College of Princeton, New Jersey, have been making people happy all over Africa with a sentimental little Negro song called "Li'l Liz, I Love You." Other groups and individual artists who have toured parts of the African Continent in recent years range all the way from the San Francisco Ballet to the Wilbur de Paris Jazz Ensemble and the Boston Celtics.

Trade Fairs and Trade Missions

Also under the auspices of the President's Special International Program, American pavilions and display stands have for several years been sponsored at the Casablanca, Tunis, and Mogadiscio international trade fairs. These original pavilions, employing all the skills of American showmanship and originality, are designed to tell the story of American industrial and com-

mercial progress in a way that is helpful to the countries in which the displays are mounted. Displays include such eye catchers as Circarama and an inflatable house. The current exhibit at Casablanca is housed in a plastic and aluminum geodesic dome and is attracting everyone from the King of Morocco to Berber tribesmen from the hills dressed in their traditional long flowing robes. I wonder what they think when they gaze at gadgets like a stereophonic juke box or a science exhibition which includes such spectator sports as exploding sawdust with hydrogen peroxide shot from a water pistol?

United States trade missions of American business and financial experts have also been sent to several African countries. Right now two of them are traveling in Morocco and Nigeria. These missions have proved to be successful two-way channels—bringing knowledge about American financial and business methods to Africa and information about potential African markets and fields for investment to American businessmen.

Private U.S. Activities in Africa

United States governmental operations are most certainly not the only American activities in Africa. In fact, in many places the American presence is principally felt and known through private missionary, business, and other activities.

Religious and Philanthropic

As I noted earlier, not only have the 6,500 American missionaries now at work in Africa brought the blessings of Christian ethics but they have clearly made a major contribution to the basic medical, educational, and community facilities of the continent. In most cases they have pioneered these fields and penetrated far into the African interior to bring their services to wholly uncivilized populations. Even today they continue to be responsible for a large part of the education which Africans receive.

The rollcall of private American foundations, institutes, committees, and educational institutions engaged in African programs and activities is impressive. Headed by the Carnegie, Ford, Rockefeller, and other well-known foundations, it also includes many, many other smaller or more specialized organizations, both lay and religious. Still others are planning to enter this field and are certainly welcome, as the demand for such private assistance far exceeds the available re-

sources. To give you an idea of the scale of the foundation activity, since 1927 the Carnegie Corporation of New York has spent well over \$5 million on activities in Africa and for those relating to Africa in the United States and the United Kingdom. The Ford Foundation has similarly spent over \$2½ million since 1952 on its sub-Saharan African programs—programs which are to be continued in greater magnitude. Annual African budgets of the numerous missionary groups range up to more than \$1 million.

Educational

Another related activity is the role being played by more and more American universities and colleges in offering courses and organized studies in African affairs here in the United States to educate Americans in African history, problems, and potentialities. As you all doubtless know, in March of 1957 the African Studies Association was founded to facilitate communication among scholars in America interested in Africa and to stimulate and facilitate scholarly research on Africa. The first annual meeting of the association was held at Northwestern University in Evanston, Illinois, last September and was attended by more than 170 social scientists and others interested in African research.

Private Business

I'm afraid I've already overloaded you with facts and figures. Moreover, tomorrow you are to have the privilege of hearing Mr. [Bernard] Blankenheimer of the Department of Commerce, who will give you a detailed survey of the role of American private business and capital in Africa. For our purposes tonight, therefore, a brief statement will suffice.

As I mentioned earlier, American capital invested in Africa amounts to almost \$1 billion; but this is a figure subject to considerable interpretation, as almost a third of it, for instance, represents American-owned tankers sailing under the Liberian flag. In any event there are two things to note. Although American investment in Africa constitutes only a small proportion of total U.S. investment abroad—some 4 percent—it increased between 1953 and 1957 by 55 percent. Secondly, although it is heavily concentrated in petroleum distribution and mining, it is also varied, ranging all the way from running an airline in Ethiopia to manufacturing canned goods

in South Africa to an interest in a chewing gum factory in Morocco.

Our foreign trade with Africa (excluding Egypt and the Sudan) has increased since the end of the war, that is, between 1946 and 1957, by over 60 percent to its current level of \$1.2 billion a year. About 3.4 percent of our exports go to Africa, and 4.2 percent of our imports come from there. The bulk of the exports go to the Union of South Africa, but our imports come from all over the continent. Curiously, to those of us conditioned to thinking of coffee in terms of Brazil, the largest import item, almost 30 percent of the total, is coffee.

The dynamic changes taking place in Africa will undoubtedly have a great effect on these patterns of investment and trade, changes which we believe will offer great opportunities for American private enterprise. There is also the human side of this activity. The prospects for greater tourist and private cultural exchanges between Africa and the United States increase with each passing year. The natural beauties of Africa, its diverse and often pleasant climates, and its numerous tourist attractions inevitably will result in an increase of tourism. In turn we hope and expect more and more Africans will be coming to the United States as businessmen, statesmen, students, scholars, professors, and just plain tourists.

Conclusions

We have reviewed at some length American interests, objectives, and operations in Africa. We have noted—a fact obvious to the most casual observer—that Africa today is in a state of dynamic development which challenges the entire free world to sit up and take notice.

We simply cannot afford to sit idly by and see this great continent drift into chaos, confusion, or communism. At the same time we cannot set ourselves up as omniscient judges of what's best for Africans, some of us clamoring for immediate independence without regard for limiting political, economic, and educational factors, while others demand a tortoise-like, teacher-knows-best approach to autonomy. The trend is clear, and much has already happened. To prove this statement I have only to recall the independence timetable I have already recited. One of the results of this progress is the emerging "African personality" which I also mentioned earlier. Afri-

cans are proving that they can run their own affairs, not the way non-Africans would do it but so effectively that they feel justified in demanding the opportunity to work out their own salvation.

We Americans can readily conclude that the United States and the new Africa are inevitably bound together by many solid and lasting mutual interests. It is our role—and yours—to prove to Africans the positive advantages of cooperation with the United States and the West. To do so we must be prepared to give emerging Africa both sympathetic support and tangible assistance so that its great potential will be achieved in a manner which will benefit both them and us all.

CONGRESS

President Recommends Membership in Inter-American Bank

*Message of President Eisenhower*¹

TO THE CONGRESS OF THE UNITED STATES:

I herewith submit to the Congress the Agreement for the establishment of the Inter-American Development Bank together with a Special Report of the National Advisory Council on International Monetary and Financial Problems recommending United States participation as a member of such Bank.² Representatives of the United States took an active part in the inter-American meetings which formulated the Agreement. I urge that the Congress enact legislation authorizing the President to accept membership in the Bank for the United States and to assume the subscription obligations prescribed in the Agreement.

¹ White House press release dated May 11 (H. Doc. 133, 86th Cong., 1st sess.).

² *Special Report of the National Advisory Council on the Proposed Inter-American Bank*, with an appendix which includes the Final Act of the Specialized Committee for Negotiating and Drafting the Instrument of Organization of an Inter-American Financial Institution, convoked by the Inter-American Economic and Social Council, and the text of the Agreement Establishing the Inter-American Development Bank; available from the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C.

The establishment of the Inter-American Development Bank and our participation in it will be a most significant step in the history of our economic relations with our Latin American neighbors. It will fulfill a long-standing desire on the part of the Latin American Republics to have an Inter-American institution specifically designed to promote the financing of accelerated economic development in Latin America. At the Buenos Aires Economic Conference in August and September of 1957, the United States supported a resolution calling for a study of possible solutions for the problems of financing economic development.³ In August of 1958 the United States indicated that it would be prepared to consider the establishment of a development institution for Latin America⁴ and in September of that year an informal meeting in Washington of the Foreign Ministers of the American Republics recommended that a specialized committee of governmental representatives negotiate and draft an instrument for the organization of such a development institution.⁵ A Specialized Committee, thereafter established by a Resolution of the Inter-American Economic and Social Council, was convened at the Pan American Union in Washington on January 8, 1959,⁶ and devoted three months of continuous effort to the preparation of the Agreement which I now lay before the Congress for its approval.

The proposed institution is well designed to serve the needs of the Latin American Republics on a sound financial basis. The bulk of its assets, \$850 million, which are subscribed for the capital stock of the Bank, are to be used to make or facilitate loans on banking terms, repayable in the currency in which the loan has been made. Each member republic is called upon to make a significant subscription to the capital of the Bank. Of the \$850 million in authorized capital stock, \$400 million is for paid-in shares to be paid for in installments over a period of approximately three years. Half of each installment is payable in gold or dollars, and half in the national currency of the members. The United States subscription to the paid-in capital is \$150 million. The Latin

³ For background, see BULLETIN of Sept. 16, 1957, p. 463, and Sept. 30, 1957, p. 539.

⁴ *Ibid.*, Sept. 1, 1958, p. 347.

⁵ *Ibid.*, Oct. 13, 1958, p. 574.

⁶ For a U.S. statement made at the final plenary session on Apr. 8, see *ibid.*, May 4, 1959, p. 646.

American subscriptions for such capital total \$250 million.

The balance, \$450 million of callable capital, will constitute a guarantee of borrowings by the Bank in capital markets and would only be actually expended if the Bank were unable to meet its commitments. It is planned that the Bank will rely heavily on raising funds from private sources for the financing of sound economic development projects in Latin America. The United States portion of the callable capital is \$200 million.

It should be noted that the Agreement expresses the intention of increasing the capitalization of the Bank by an additional \$500 million after September 30, 1962, if the increase is approved by a three-fourths vote in the Board of Governors. The increase would be in the form of callable capital and the United States share would be approximately \$200 million. This arrangement was included in recognition of a deep conviction on the part of the Latin American representatives that definite provision should be made in the Agreement for an increase in the capital of the Bank at an early date. The United States representatives agreed that such an increase would be desirable but believed that it would be wise to have an initial period of experience with the Bank's operations before the additional capital was subscribed. Accordingly, if the Bank's operations are established on an effective basis in accordance with expectations, the United States will in good faith be committed to vote for the increase and subscribe to its share of the increased capital.

The Agreement also establishes a Fund for Special Operations to be financed by specified contributions by all of the member countries, half in gold and dollars and half in the national currencies of the members. Its initial resources will be \$150 million. The United States contribution of \$100 million is payable in installments, the first of which will be \$50 million. The Fund is established for the making of loans on terms and conditions appropriate for dealing with special circumstances arising in specific countries or with respect to specific projects, where normal terms of lending would not be appropriate. Loans by the Fund may be made repayable in whole or in part in the currency of the borrowing country. The Agreement carefully segregates the resources of the Fund from the capital resources of the Bank so as not to jeopardize, in any way, the financial

soundness of the institution and its ability to raise funds in the capital markets.

It is proposed that the funds necessary to meet the initial portion of the United States subscription to the Bank be provided by a no-year appropriation, to be expended at such time after its enactment as may be desirable taking into account the active role which the United States has played in formulating the proposal for the Bank.

The charter authorizes the Bank to provide its members, and private entities in the territories of the members, with needed technical assistance. Particular attention is given to technical assistance in the fields of preparation, financing, and execution of development plans and projects, and the training of personnel specializing in the formulation and implementation of development plans and projects. These are two areas where there has long been a need for additional assistance and the facilities which will be provided by the Bank should be very helpful to member countries in utilizing their international borrowing capacity for the development projects most essential to their economies. The representatives of the Latin American countries, as well as those of the United States, have demonstrated an awareness of the necessity of making adequate provision for safeguarding the resources of the institution in order that its future existence as an important factor in the development of the hemisphere may be assured. In this respect the Agreement follows, in many aspects, the charter of the International Bank for Reconstruction and Development. It is anticipated that the new Bank will work closely with existing sources of public credit, including the International Bank for Reconstruction and Development, the Export-Import Bank, and the Development Loan Fund.

The Special Report of the National Advisory Council, submitted herewith, describes the Agreement creating the Bank in greater detail.

I am strongly of the opinion that because of the following general policy considerations the United States should support the creation of this Bank for Latin America:

- (1) The special relationship, historical, political, and economic, between the United States and the Latin American Republics;
- (2) The pressing economic and social problems

in the area resulting from a rapid rate of increase in population and widespread desire for improved living conditions; and

(3) The desirability of an institution which will specialize in the needs of Latin America, which will be supported in large part by Latin American resources and which will give the Latin American members a major responsibility in determining priorities and authorizing loans.

I urge the Congress to enact promptly legislation enabling the United States to join with the other members of the Organization of American States in establishing the Inter-American Development Bank which will foster, in a sound and efficient manner, more rapid advance by the people of the nations south of our border as they strive to improve their material well-being.

DWIGHT D. EISENHOWER

THE WHITE HOUSE, *May 11, 1959.*

Belgian-American Solidarity

His Majesty King Baudouin of the Belgians made a state visit to the United States May 11-31. Following is the text of an address he made before a joint session of Congress on May 12.¹

Mr. President, Mr. Speaker, Members of Congress, ladies and gentlemen, I who am a young man come from a country old enough to have been spoken of proudly by Julius Caesar.

I come to a country which for centuries God kept hidden behind a veil until its appointed hour when it took into its young arms the people of the Old World.

America has been called a melting pot, but it seems better to call it a mosaic, for in it each nation, people, and race which has come to its shores has been privileged to keep its individuality, contributing, at the same time, its share to the unified pattern of a new nation.

I rejoice in the honor given to me by this assembly, an honor which deeply moves the hearts of the Belgian people. After all, your country and mine have much in common. In both, the state exists for the people, not the people for the

state. In both, rights and liberties take their origin, not in the government but as your Declaration of Independence states, in the unalienable rights given by the Creator.

Gratitude for Aid and Support

Time has not dimmed the gratitude of my people for the sympathetic attitude and practical help from America in World War I. It was the American Commission for Relief formed by Brand Whitlock, under the Presidency of Herbert Hoover, which saved the population of Belgium from the horrors of starvation. The hunger we then had for bread is now a hunger to be everlastingly grateful for that great work of mercy.

Permit me also to register justifiable pride in recalling that it was upon our Belgian soil in the last war that General McAuliffe wrote the shortest and most unforgettable diplomatic note ever sent in wartime. As you all know it, I shall not tax your memory by repeating it.

Since that day the name of Bastogne has ever been cherished in our minds. The graves of your gallant soldiers are now part of our sacred soil. Their sacrifice will never be forgotten.

When my great-uncle, the late King Leopold II, undertook with Stanley his bold adventure of bringing civilization into the unexplored regions of central Africa, the United States—through Congress—was the first Government to proclaim the humanitarian nature of this great enterprise, and to recognize the independent state of the Congo as a friendly Government.

During the 75 years that have followed, Belgium has done her utmost to bring to the Congo security and a more human life.

Today all my countrymen join in the desire to raise the population of Congo to a level that will enable them freely to choose their future destiny. As soon as they are matured, as soon as they have received the loving care in education that we can give them, we shall launch them forth on their own enterprise and independent existence.

Quest for a Lasting Peace

There are two other points, ladies and gentlemen, for which I crave your indulgence: the first is on peace, the second on youth.

Peace, as you know, is the tranquillity of order. Mere tranquillity can be cold war, but the tranquillity of order implies justice.

¹ *Congressional Record*, May 12, 1959, p. 7179. For announcements of King Baudouin's itinerary, see Department of State press releases 285 of Apr. 24 and 313 of May 7.

Perhaps never before has peace been so difficult to achieve as it is today. At other periods, the possibility of war endangered our homelands and our home. Today war endangers our minds and our hearts. The older imperialism sought the conquest of lands; the new seeks the mastery of intellects.

The peace for which we have to labor is not just to preserve our possessions, but our very personalities.

The preservation of peace has, therefore, become in our day the work not only of the heads of governments, but of the entire citizenry of every nation. Since it is not only our bodies but our minds that are at stake, peace is made from two directions: one from the conference table to the people, the other from the people to the conference table. And as the differences between governments often are greater than the differences between peoples, the peace within our hearts is the greatest guarantee of peace in the world.

I am here to register the solidarity between the peoples of Belgium and America in the fond hope that all human beings, wherever they be, may join with us in the prayer of your great Lincoln that government of the people, for the people, and by the people may not perish from the earth.

Dedication to Youth and Peace

A word about youth.

Youth is the first victim of war, the first fruit of peace. It takes 20 years or more of peace to make a man; it takes only 20 seconds of war to destroy him.

In a certain sense America is the land of youth, because it dedicates more of its energies, talents, money, and science to the birth and preservation of life than any other country in the world.

Where better can the free peoples of the world look for the averting of war and death than to your Nation so vibrant with the love of life? It is unthinkable that those who spend so much to save life would ever seek to destroy it. Even the money spent on the defense of peace we see as a deterrent to those who would endanger human life.

Not only I, but all the youths of my country, most willingly adhere to your reverence for life. Nor shall our confidence in you be misplaced, for what is written on your coins, I have read in the hearts of the American people: "In God we trust."

United States and IAEA Sign Agreement for Cooperation

The Atomic Energy Commission and the Department of State (press release 321) announced on May 11 that an agreement for cooperation in the civil uses of atomic energy between the United States and the International Atomic Energy Agency was signed that day at Vienna, Austria. Harold C. Vedeler, Acting U.S. Representative, signed the agreement for the United States, and Sterling Cole, Director General, signed for the IAEA.

The agreement will make it possible for the Agency to draw on the 5,000 kilograms of uranium 235 pledged to the Agency by President Eisenhower at the conference which approved the IAEA Statute at United Nations Headquarters in 1956.¹

In addition to the 5,000 kilograms, the United States has pledged to match the total amount of special nuclear materials made available by other members of the Agency up to July 1960.² The Government of the U.S.S.R. is making available 50 kilograms of uranium 235, and the Government of the United Kingdom has agreed to supply 20 kilograms. As the United States has agreed to match the amounts made available by other members, the total amount of uranium 235 that is now transferable by the United States to the Agency is 5,070 kilograms.

The special nuclear materials covered by this agreement will be furnished by the United States at the rates charged by the U.S. Atomic Energy Commission for domestic distribution. However, special nuclear material worth up to \$50,000 may be transferred during any calendar year without charge for research on peaceful uses or for medical therapy. The United States also undertakes to assist the Agency in obtaining source material from persons under U.S. jurisdiction and agrees to accept for reprocessing both special nuclear

¹ BULLETIN of Nov. 19, 1956, p. 813.

² *Ibid.*, Oct. 21, 1957, p. 637.

and source material made available by the United States under this agreement.

The IAEA has agreed to assure that any material, equipment, or facilities transferred pursuant to this agreement will be used only for peaceful purposes.

United States and Pakistan Ratify Income-Tax Convention

Press release 349 dated May 21

Instruments of ratification were exchanged on May 21 at Karachi bringing into force an income-tax convention between Pakistan and the United States.

The convention between the United States and Pakistan for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income was signed at Washington on July 1, 1957.¹ The convention follows in general the pattern of conventions now in force between the United States and numerous other countries for the avoidance of double taxation with respect to taxes on income. It is designed to eliminate obstacles to the international flow of trade and investment. It contains provisions relating to business, investment, and personal-service income, official salaries, pensions and annuities, remuneration of teachers, remittances to students and apprentices, and interest received by the State Bank of Pakistan and the Federal Reserve banks of the United States. It also contains, as is customary with such conventions, provisions regarding administrative procedures, including exchange of information, for giving effect to the convention.

The second sentence of article XV(1) of the convention as signed contained a provision, commonly referred to as the tax-sparing provision, under which the amount of income tax and super-tax by which an American enterprise's Pakistan tax was reduced by Pakistan law, as an incentive for new investment, would be treated, within certain limits and on certain conditions, as though paid for foreign-tax-credit purposes. After the signing of the convention the relevant Pakistan law was repealed.

On July 9, 1958, the United States Senate gave

¹ BULLETIN of July 22, 1957, p. 172.

advice and consent to ratification of the convention subject to the reservation "that the second sentence of paragraph 1 of Article XV shall not be ratified." The convention was ratified by the President subject to that reservation. The text of the reservation was communicated by the U.S. Government to the Government of Pakistan, which accepted the reservation. This constituted in effect an understanding that the convention, upon entry into force, would be modified in accordance with the reservation so that the second sentence of article XV(1) is excepted from the operation of the convention to the same extent as though that sentence were deleted.

The convention, entering into force upon the exchange of instruments of ratification, is effective in the United States for taxable years beginning on or after January 1, 1959. It is effective in Pakistan for "previous years" or "chargeable accounting periods," as defined in Pakistan law, beginning on or after January 1, 1959.

International Wheat Agreement Signed at Washington

Press release 350 dated May 21

From April 6 until and including April 24, 1959, the International Wheat Agreement, 1959, was open for signature at Washington. During that period the agreement was signed in behalf of Argentina, Australia, Austria, Belgium (for the Belgo-Luxembourg Economic Union, Belgian Congo, and Ruanda-Urundi), Brazil, Canada, Cuba, Denmark, Dominican Republic, France, Federal Republic of Germany, Greece, Haiti, India, Indonesia, Ireland, Israel, Italy, Japan, Korea, Mexico, Netherlands, New Zealand, Norway, Peru, Philippines, Portugal, Spain, Sweden, Switzerland, Union of South Africa, United Arab Republic, United Kingdom, United States, and Vatican City.

Of the signatories mentioned above, Argentina, Australia, Canada, France, Italy, Mexico, Spain, Sweden, and the United States are designated in article 24 of the agreement as exporting countries. The others are designated in article 25 as importing countries.

It is provided in the agreement that it will enter into force on July 16, 1959, as to parts I and

III-VIII, and on August 1, 1959, as to part II, between the governments of those countries which have, by July 16, 1959, accepted or acceded to the agreement, provided that such governments hold not less than two-thirds of the votes of the exporting countries and not less than two-thirds of the votes of the importing countries, as specified in the agreement.

The agreement is open to accession by the governments of certain countries in behalf of which the agreement was not signed.

The International Wheat Agreement, 1956, presently in force, will expire by its own terms July 31, 1959. The new agreement, like that of 1956, is a 3-year agreement and is designed to assure supplies of wheat to importing countries and markets for wheat to exporting countries at equitable and stable prices.

Current Actions

MULTILATERAL

Law of the Sea

Convention on the high seas. Done at Geneva April 29, 1958.¹

Ratification deposited: Afghanistan, April 28, 1959.

Shipping

Convention on the Intergovernmental Maritime Consultative Organization. Signed at Geneva March 6, 1948. Entered into force March 17, 1958. TIAS 4044.

Acceptance deposited (with declaration): Sweden, April 27, 1959.

War

Geneva convention relative to treatment of prisoners of war;

Geneva convention for amelioration of condition of wounded and sick in armed forces in the field;

Geneva convention for amelioration of condition of wounded, sick, and shipwrecked members of armed forces at sea.

Dated at Geneva August 12, 1949. Entered into force October 21, 1950; for the United States February 2, 1956. TIAS 3364, 3362, and 3363, respectively.

Ratification deposited: Ceylon, February 28, 1959.

Geneva convention relative to protection of civilian persons in time of war.

Dated at Geneva August 12, 1949. Entered into force October 21, 1950; for the United States February 2, 1956. TIAS 3365.

Accession deposited: Ceylon, February 23, 1959.

Whaling

Protocol amending the international whaling convention of 1946 (TIAS 1849). Done at Washington November 19, 1956. Entered into force May 4, 1959.

Proclaimed by the President: May 14, 1959.

¹ Not in force.

BILATERAL

Colombia

Agreement extending the agreement of February 6 and March 14, 1956, as amended (TIAS 3611), for establishment and operation of a rawinsonde observation station on San Andrés Island, and providing for establishment, operation and maintenance of a rawinsonde observation station at Bogotá. Effected by exchange of notes at Bogotá January 8 and May 8, 1959. Entered into force May 8, 1959.

Denmark

Agreement relating to a shipbuilding program in Denmark. Effected by exchange of notes at Copenhagen May 8, 1959. Entered into force May 8, 1959.

Muscat, Oman, and Dependencies

Treaty of amity, economic relations, and consular rights, and protocol. Signed at Salalah December 20, 1958.¹

Ratified by the President: May 8, 1959.

Pakistan

Convention for the avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income. Signed at Washington July 1, 1957.

Ratifications exchanged: May 21, 1959.

Entered into force: May 21, 1959.

Check List of Department of State Press Releases: May 18-24

Press releases may be obtained from the News Division, Department of State, Washington 25, D.C.

Releases issued prior to May 18 which appear in this issue of the BULLETIN are Nos. 312 of May 7, 321 of May 11, and 325 and 326 of May 13.

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	338 5/18	DLF loan to Philippines (rewrite).
*339	5/19	Educational exchange (Ceylon, Nicaragua).
*340	5/19	Cultural exchange (Europe, Middle East).
†341	5/19	Parsons: "The Development of Our Common Interest in the Pacific."
	342 5/19	DLF loan to Philippines (rewrite).
*343	5/20	Office staff of Secretary of State.
344	5/20	Czechoslovakia credentials (rewrite).
*345	5/20	Cultural exchange (Cuba).
†346	5/21	Hanes: White House Conference on Refugees.
	347 5/20	DLF loan to Chile (rewrite).
*348	5/21	Willoughby: House Merchant Marine and Fisheries Committee.
	349 5/21	Income tax convention with Pakistan.
350	5/21	International Wheat Agreement, 1959.
*351	5/21	Cabot nominated Ambassador to Brazil (biographic details).
†352	5/22	Henderson: "The Price of Peace and Progress."
	353 5/22	DLF loan to Sudan (rewrite).
*354	5/22	Possible summit site.
355	5/22	Loan to Finnish bank.
*356	5/24	Funeral arrangements for Mr. Dulles.
357	5/24	Dillon: death of Mr. Dulles.
358	5/24	Herter: death of Mr. Dulles.

*Not printed.

†Held for a later issue of the BULLETIN.

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The Department of State BULLETIN, a weekly publication issued by the Public Services Division, Bureau of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

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Foreign Ministers Continue Geneva Talks; Adjourn for Funeral of John Foster Dulles

The Foreign Ministers Conference met in plenary session on May 25 and 26¹ and then recessed for 2 days to permit the Foreign Ministers to attend funeral services for former Secretary Dulles at Washington on May 27. Following are statements made by Secretary Herter at Geneva, together with other statements relating to the death of Mr. Dulles and the trip to Washington.

STATEMENT BY SECRETARY HERTER, MAY 25

During the past 2 weeks and again today Foreign Minister Gromyko has attempted to depict the German Federal Government as a revanchist and militaristic government intent upon precipitating a third world war.

These allegations resurrect old fears and by-gone hatreds. They represent an attempt to confuse our present deliberations by attributing to the Federal Republic motives of another period.

The Government of the Federal Republic has frequently explained the basis of its policy. It has renounced the use of force in the settlement of international disputes. For example, at the time that the Federal Republic entered NATO and the Brussels treaties, its Government affirmed that it

. . . will refrain from any action inconsistent with the strictly defensive character of the two treaties. In particular the German Federal Republic undertakes never to have recourse to force to achieve the reunification of Germany or the modification of the present

¹ For statements made by Mr. Herter during the first 2 weeks of the Foreign Ministers Conference at Geneva, see BULLETIN of June 1, 1959, p. 775, and June 8, 1959, p. 819.

boundaries of the German Federal Republic and to resolve by peaceful means any disputes which may arise between the Federal Republic and other states.

This renunciation of the use of force in the pursuit of national aims is an expression of considerations which have been summarized by Chancellor Adenauer as follows in a statement he made in Moscow on September 9, 1955:

The most precious possession that every German is intent on safeguarding is peace. We know only too well how much the Soviet and German peoples in particular suffered during the last war, and I therefore believe that I shall find your understanding if I say that the horror of the destruction which would be wrought by a modern war, of the millions of human sacrifices, of the razing of homes and factories, of the devastation of town and countryside, has left its indelible mark on each and every one of us.

We know in Germany, too, that the scientific and technical progress achieved since the last war in the field of nuclear fission and other related fields has put possibilities of destruction into the hand of man, the mere thought of which causes one to shudder. After all, everyone in Germany knows that the geographic position of our country would jeopardize us to the highest degree in the case of an armed conflict.

For this reason, you will find nobody in Germany—not only among responsible political leaders but also in the entire population—who remotely toys with the thought that any one of the major political problems awaiting solution could be solved by war. The longing which has gripped humanity that war may have outlived itself by its own dreadfulness—that longing is deeply and strongly rooted in the heart of every German.

An examination of the record of the conduct of the Federal Republic of Germany clearly shows how consistently it has applied the principles to which it has subscribed to the conduct of its foreign relations. By a series of painstaking negotiations it has sought to settle the differences with its neighbors by peaceful means. An ex-

ample of this policy, which might well serve as a model for us here today because of its use of a plebiscite as a means of determining the popular will, is the Saar settlement negotiated by the French and German Governments. This settlement eliminated a serious source of friction which has embittered French-German relations for generations. The Federal Government has sought to resolve other matters in dispute by negotiation. Problems involving minorities along the German-Danish border have been successfully worked out. Frontier problems with Belgium and Switzerland have also been solved. These examples illustrate how the Federal Republic has translated into practice the principles of peaceful settlement to which she has subscribed.

Another expression of the awareness of the importance of peaceful settlement and cooperation between states, reflected by the statement of Chancellor Adenauer quoted above, has been the role which the Federal Republic has played in the development of European cooperation. The Federal Republic has throughout its existence consistently supported the development of closer ties between European nations. She has strongly supported and participated in such international institutions as the Organization for European Economic Cooperation, the Coal and Steel Community, and the European Atomic Energy Community. These associations with other states have increased the economic and cultural ties which have knit the Federal Republic closely into the European community. Such close association naturally increasingly reduces the chances that the German people will launch themselves upon unilateral adventures.

In response to ominous developments in Berlin, in Eastern Europe, and the Far East, the Federal Republic has joined as a partner in arrangements for the defense of the free world. The Federal Republic has developed its defense forces as a member of the Western collective security system. Such a collective security system, by its structure, organization, and the interdependence of its members, provides an important guarantee against any member state having independent recourse to the threat or use of force. The system insures the security of all Germany's neighbors, of Germany itself, and of Europe as a whole. It represents an important guarantee against the revival of German militarism. In this connection also one should not overlook the care with which

the Parliament of the German Federal Republic framed the laws for the establishment of the German defense force. An examination of this legislation will show how thoroughly it provides for the civilian control of the military establishment. An interesting and significant feature is the law which sets up a civilian committee to review the appointment of higher officers of the German army.

The examples which I have cited are far from exhaustive. But they suffice, I think, to illustrate how false are the charges which the Soviet Union levels against the German Federal Republic.

STATEMENT BY SECRETARY HERTER, MAY 26

At our 10th session on May 22, the Foreign Minister of France discussed the general nature of the proposals regarding Berlin contained in the Western peace plan² and the reasons which led us to include those proposals in the plan. We have thought in this connection that it would be helpful to the Soviet delegation if we spelled out, in some detail, the manner in which these suggestions for the reunification of the Greater Berlin area could be put into effect. This will enable us to discuss the proposals in terms of the practical problems which will arise in carrying out the reunification of the city rather than in terms of abstract objections thereto.

The outline which we are suggesting should not, of course, be regarded by the Soviet delegation as fixed or final. There are clearly a substantial number of matters which will have to be developed further and some which undoubtedly could be improved through our joint consideration. We shall, therefore, welcome the comments of the Soviet Foreign Minister on these more detailed proposals, which are as follows:

Details of Western Proposals

I. Two weeks after the entry into force of the agreement among the Four Powers on the Western peace plan, the Four Powers would issue a joint proclamation in Berlin providing that:

A. Pending the reunification of Germany,

² For text, see *ibid.*, June 8, 1959, p. 779. For a Department memorandum on the legal aspects of the Berlin situation, see *ibid.*, Jan. 5, 1959, p. 5.

Greater Berlin, as defined in the Protocol on the Zones of Occupation in Germany and the Administration of "Greater Berlin," agreed in the European Advisory Commission on September 12, 1944, as subsequently amended, would be governed and administered as one indivisible area.

B. Elections for a Berlin constitutional council would be held 60 days after the issuance of the proclamation pursuant to the following provisions:

1. The constitutional council would consist of 100 members elected by universal, free, secret, and direct ballot.

2. Greater Berlin would consist of one electoral district in which elections would be conducted according to the principle of proportional representation.

3. Nomination lists would be submitted by political parties which participated in the last municipal election in either West or East Berlin.

4. All German citizens who on the day of the election had passed their 20th birthday and had had their domicile in Berlin for a minimum period of 6 months would have the right to vote.

5. All persons having the right to vote and having passed their 25th birthday on the day of the election could stand for election.

6. Appropriate measures would be agreed to insure freedom of elections.

7. The constitutional council, which would assemble 1 week after the election, would draft, within 60 days, a constitution for Greater Berlin and an electoral law. The draft constitution and the electoral law would be submitted for approval of the people of Berlin in a plebiscite, safeguarded in the same manner as agreed under paragraph 6, to be held within 30 days after completion of the drafting of the constitution and the electoral law. The constitution and the electoral law would come into effect if approved by a majority of those voting.

II. The Four Powers would, if the constitution were approved by the people of Berlin, issue within 1 week after such plebiscite a proclamation declaring:

A. The coming into force of the constitution.

B. That the city would be governed in accordance with the terms of the constitution, and the governmental authorities selected pursuant to its provisions would have full authority in Berlin except that:

1. The Four Powers would continue to be entitled to maintain forces in Berlin and to insure the security of these forces. The level of these forces could be the subject of an agreement between the Four Powers.

2. The Four Powers could, by unanimous action taken within 30 days after enactment, declare null and void or suspend the operation of legislation enacted pursuant to the constitution, but this right normally would be exercised only when necessary in the following fields:

(a) Disarmament and demilitarization, including related fields of scientific research, prohibition and restrictions on industry and civil aviation;

(b) Relations with authorities abroad;

(c) Protection, prestige, and security of Allied forces, dependents, employees, and representatives, their immunities and other requirements.

III. The Four Powers would agree that free and unrestricted access to Berlin, by land, by water, and by air, should be assured for all persons, goods, and communications.

IV. A. The Four Powers would deal with the Berlin government on all matters relating to the presence of the forces of the Four Powers in Berlin.

B. Military police patrols consisting of a member of the force of each power would be established to deal with all incidents involving military personnel subject to the right of the Berlin municipal police to take emergency action respecting breaches of the peace.

V. A. The Berlin government would be empowered to put into effect in Berlin any proposals of the mixed German committee which are put into effect in both parts of Germany, to the extent that such proposals are applicable to Berlin.

B. The citizens of Berlin would be entitled to participate in the all-German elections to be held upon the coming into force of the German electoral law.

VI. Upon the adoption of the German constitution and establishment of an all-German government, Berlin would become the capital of reunified Germany. The all-German government would be entitled to make such changes in the governmental organization of Berlin as may be requisite in view of that change in status.

VII. Upon the coming into force of the peace treaty, the stationing of forces of the Four

Powers will be subject to the provisions contained in the treaty respecting the stationing of foreign troops in Germany.

Status of Berlin

Mr. Couve de Murville on Friday also discussed the statement of the Soviet Foreign Minister that Greater Berlin is the capital, and on the territory of, the so-called German Democratic Republic.

The French Foreign Minister very ably established that this statement is not well founded. This seems, however, to be a point which is troublesome to the Soviet Union in view of the fact that Mr. Gromyko has on several occasions asserted that Berlin is on the territory of the so-called German Democratic Republic.

Accordingly, it may be helpful to the Soviet delegation if I also review the matter.

Greater Berlin is an area which was jointly occupied in 1945 by France, Great Britain, the United States, and the Soviet Union. The city has been and remains subject to the authority of the Four Powers and the status of either the whole city or any part thereof cannot be altered without the consent of the Four Powers.

Protocol on Germany and Berlin

The Soviet delegation will undoubtedly recall the European Advisory Commission, which was established by the United States, the United Kingdom, and the Soviet Union at the Moscow conference in October 1943, agreed upon a Protocol on the Zones of Occupation in Germany and the Administration of "Greater Berlin" on September 12, 1944, to which I have referred previously this afternoon.

On November 14, 1944, agreement was reached regarding certain amendments to the protocol of September 12. The Soviet representative on the European Advisory Commission gave notification that the Soviet Government approved the agreement regarding amendments on February 6, 1945. The United Kingdom had previously approved the protocol and amendments on December 5, 1944, and the United States on February 2, 1945.

On July 26, 1945, the United Kingdom, the United States, and the U.S.S.R. entered into an agreement with the Provisional Government of the French Republic regarding amendments to the protocol of September 12, 1944, which served

to include France in the occupation of Germany and the administration of Greater Berlin. The Soviet representative on the European Advisory Commission gave notice that his Government approved this agreement on August 13, 1945. The United States approved on July 29, 1945; the United Kingdom approved on August 2, 1945, and the French Government approved on August 7, 1945.

The protocol, in its final form, provides:

1. Germany, within her frontiers as they were on 31st December 1937, will, for the purposes of occupation, be divided into four zones, one of which will be allotted to each of the four Powers, and a special Berlin area, which will be under joint occupation by the four Powers.

The protocol then specifies the geographical boundaries of each zone and provides for the division of the territory of Greater Berlin, which "will be jointly occupied by the armed forces" of the Four Powers, into four parts.

Paragraph 5 of the protocol provides:

5. An Inter-Allied Governing Authority (Komendatura) consisting of four Commandants, appointed by their respective Commanders-in-Chief, will be established to direct jointly the administration of the "Greater Berlin" Area.

It should be borne in mind that the only changes in the protocol subsequent to February 6, 1945, when it came into force, were the amendments relating to the French occupation rights.

Agreement on Allied Control Machinery

The relationship of the occupying powers in Germany was further clarified by the work of the European Advisory Commission in connection with the agreement on control machinery in Germany. On November 14, 1944, an agreement was reached in the Commission with regard to the organization of the allied control machinery in Germany in the period during which Germany would be carrying out the basic requirements of unconditional surrender. On May 1, 1945, agreement was reached to include the Provisional Government of the French Republic in the control agreement.

This agreement, in its final form, provides that:

Supreme authority in Germany will be exercised on instructions from their respective Governments, by the Commanders-in-Chief of the armed forces of the United States of America, the United Kingdom and the Union of Soviet Socialist Republics, and the Provisional Govern-

Foreign Ministers Express Condolences on Death of Former Secretary Dulles

Following is a statement made on May 25 at the Foreign Ministers Conference at Geneva by Secretary Herter, who was in the chair, together with remarks made in response to his statement by the Foreign Ministers of France, Great Britain, and the Union of Soviet Socialist Republics.

Press release 366 dated May 27

Secretary Herter

I should like to express to my colleagues of France, the United Kingdom, and the Soviet Union my appreciation for their thoughtful understanding of the situation created here by the death of my great predecessor, John Foster Dulles.

I am most grateful for the fact that Mr. Gromyko, along with Mr. Lloyd and Mr. Couve de Murville, has agreed to a 2-day recess in the conference—Wednesday and Thursday [May 27 and 28]—so that some of us might fly to Washington for the funeral services.

Whatever our approaches to the problems now under discussion, I feel sure we are agreed that the world has lost a senior statesman whose personification of integrity, energy, and devotion will long remain as an inspiration to work for peace with justice.*

Maurice Couve de Murville of France

Mr. Chairman, with your permission I would like to address myself to you, sir, as Secretary of State and chief of the United States delegation, to express to you and to your delegation the very sincere condolences on behalf of the French delegation and on my personal behalf in connection with the passing away of Mr. Dulles.

It is with great admiration and also with deep emotion that in the course of the long weeks which preceded his death we followed his struggle against the terrible illness which afflicted him. I would like to say, Mr. Chairman, that the day when the inevitable occurred, although it was expected, we have learned this news with great emotion.

Our sympathy in your loss and the loss sustained by the American Nation and Mrs. Dulles is very sincere, and I wish to express it to you.

Selwyn Lloyd of Great Britain

Mr. Chairman, I have already spoken elsewhere more formally about the death of Mr. John Foster Dulles, and I would only wish to add this. For over 6 years, since January 1953, I have by virtue of various official posts been very closely associated with him. His views have not always been accepted by all those around this table any more than we all of us now agree upon solutions to the basic problems before us. Nevertheless, I do believe that there would be common agreement as to his genuine desire for peace, his belief in the necessity of solving the problems dividing us, his courage, his dedication to what he thought was right, and his determination to accept the demands which were placed upon his own physical strength.

What constitutes greatness may be a matter for argument, but in my belief Mr. John Foster Dulles was a great man, a good man, and I am proud to have been associated with him for so long and to have enjoyed his friendship.

There is, I think, among all of us around this table a sense of poignancy in this meeting because we know that he had very much hoped to have taken part in it himself.

Therefore, with a profound sense of sympathy for Mrs. Dulles and for the United States administration and for the whole American people, I say today how much we, the British delegation, regret his passing.

Andrei Gromyko of the U.S.S.R.

To you, as Secretary of State of the United States, I would like to express once again, utilizing our meeting for so doing, our deep sympathy on the passing away of the former Secretary of State of the United States, whom I have had occasion to have known over a long period of time, for some 15 years. Thank you.

In concluding the session, Secretary Herter expressed gratitude for the statements made and said that these statements would be conveyed to the American people and to Mrs. Dulles.

ment of the French Republic, each in his own zone of occupation, and also jointly, in matters affecting Germany as a whole, in their capacity as members of the supreme organ of control constituted under the present Agreement.

It also provides, with respect to Berlin (article 7(a)):

An Inter-Allied Governing Authority (Komendatura) consisting of four Commandants, one from each Power, appointed by their respective Commanders-in-Chief, will be established to direct jointly the administration of the "Greater Berlin" area. Each of the Commandants will serve in rotation, in the position of Chief Commandant, as head of the Inter-Allied Governing Authority.

It is clear from these agreements that Berlin

was treated as an area entirely separate from any of the zones of occupation and the supreme authority which each commander in chief exercised in his zone was in Berlin replaced by a joint authority shared by all four commanders in chief and which was exercised through the Kommandatura.

Soviets Support Agreement

Although proof in support of this obvious conclusion is unnecessary, the records of the European Advisory Commission furnish ample evidence of the fact that the Soviet Union considered the effect of these agreements to be as I have stated. For example, on June 29, 1944, the Soviet representative submitted a draft protocol in the Commission which defined the proposed Soviet zone of occupation in detail, specifically excepted Berlin therefrom, and provided a special system of occupation for the city. I am able to make copies of this proposal available to the delegations which desire them.

Statements of the Soviet representative in the Commission meetings confirm the meaning of the agreements. On July 5, 1944, the Soviet representative said:

By the Soviet proposal, Berlin was to be jointly occupied. For this purpose it would be divided into three zones. At the same time, in order to avoid any misunderstanding, it would be provided in the protocol that there should be a joint tripartite administration of the Berlin area. It was obvious that the services of the Berlin area should be treated as a whole and not piecemeal by three separate authorities. This applied, for example, to the city transport (trams, underground) and the water and electricity supply. The main power stations or the main water supply might, for example, be located in one particular zone.

For this reason, a joint governing authority and a joint technical machinery had been proposed that the common services and utilities should be at the disposal of the three allies and used in their interests on equal terms. At the same time, it should not be overlooked that the main purpose for which the troops would be in Berlin was military occupation.

Soviet Disruptions of Quadripartite Control

The quadripartite control of Berlin was disrupted on July 1, 1948, when the Soviets announced they would no longer take part in meetings of the Kommandatura. By this date, of

course, the Soviet Union had begun the blockade of Berlin.

Since that time the Kommandatura has continued to function on a tripartite basis. The Soviets have, in violation of their agreements, set up and maintained a separate regime in the sector of Berlin occupied by them.

The action of the Soviet Union in withdrawing from the joint administration of the city in breach of their obligations has not and cannot affect the status of Greater Berlin as an area under joint occupation which is separate and distinct from any other areas in Germany. The right of the Four Powers to be in occupation of Berlin derives fundamentally from the unconditional surrender of Germany and the assumption of supreme authority by the Four Powers on June 5, 1945. One of the Four Powers acting unilaterally could not impair the rights of the other three.

The corollary to these undeniable facts is that all of the territory of Greater Berlin was and is separate and distinct from the territory over which the Soviet Union asserts the so-called German Democratic Republic exercises control.

The so-called German Democratic Republic is entirely the creation of the Soviet Union. It has no authority except that delegated to it by the Soviet Union. It has no mandate except from the Soviet Union. It cannot, therefore, have something which the Soviet Union is powerless to give it. And nothing would be more self-evident than that the Soviet Union cannot by itself dispose of the territory of Greater Berlin in whole or in part.

The Government of the United States has been confirmed in its belief that the Soviet Union recognizes these facts in its dealings with the sector of Berlin which it occupies.

It is to be noted, for example, that the East German law of September 24, 1958, concerning elections to the Peoples' Chamber of the so-called German Democratic Republic provides for a different and limited status with respect to the 66 representatives of East Berlin to that Chamber.

Moreover, it is to be noted that laws enacted in the so-called German Democratic Republic are not regarded even by the East German authorities as automatically becoming law in East Berlin. A special procedure is followed to make the laws applicable, as is entirely clear from documents readily available.

In addition, it is well known that as a practical

matter the Greater Berlin area has, in fact, been recognized as an area different from the area of the so-called German Democratic Republic. For example, whereas checkpoint controls are maintained between East Berlin and East Germany, there is freedom of movement within Greater Berlin.

It is clear from the foregoing that the legal obstacles to the reunification of Berlin, which the Soviet Foreign Minister has cited, do not really exist. If he is prepared to do so, we could proceed to a discussion of our detailed proposals, which would make clear their far-reaching significance for the peace and prosperity of the people of Berlin.

ARRIVAL STATEMENTS, MAY 27³

Secretary Herter

I return from the Foreign Ministers Conference at Geneva to attend the funeral services for my great predecessor, John Foster Dulles. The Foreign Ministers of France and the United Kingdom, who have flown with me to Washington, and the Foreign Minister of the Soviet Union have understandingly agreed to recess the Geneva conference for 2 days so that all four of us could pay our homage to the statesman who fought so courageously for peace with justice.

The Foreign Ministers Conference has made only small progress after more than 2 weeks of discussion. This accords with the realistic estimate I gave in my report to the Nation on May 7.⁴ It is possible, however, that each side has now a better idea of the other's thinking.

I shall return tomorrow [May 28] to Geneva with my colleagues of France, the United Kingdom, and the Soviet Union. It is my hope that in the negotiating sessions that lie ahead sufficient progress can be made to justify the United States in going to a summit conference.

British Foreign Secretary Selwyn Lloyd

It is a sad thing for me that the occasion of this visit to Washington should be to attend the fu-

³ Made at Washington National Airport (press release 367).

⁴ BULLETIN of May 25, 1959, p. 735.

neral of my friend and colleague, Mr. John Foster Dulles.

I remember many occasions during the past 2 years when he has welcomed me here at this airfield. I come here on behalf of the Government of the United Kingdom and the whole British people to pay our tribute to a great man—a fine man—and to extend our heartfelt sympathy to Mrs. Dulles, to his family, and to the whole people of the United States. And I add to that a deep sense of personal loss.

French Foreign Minister Maurice Couve de Murville

I would like to say how deeply the French Government and the French people share the sorrow of Mrs. John Foster Dulles, of the United States Government, and of the American people. I think it is proper that the Foreign Ministers Conference in Geneva should have recessed for a short time to let us, thanks to the generous hospitality of Secretary Herter, come to Washington to pay a last tribute to John Foster Dulles. This will be done, for my part, in the spirit of that long friendship which unites France and the United States and to the strengthening of which the late Secretary of State contributed so much.

STATEMENT BY JAMES C. HAGERTY, MAY 28⁵

White House press release dated May 28

This morning the President, with Secretary Herter present, received the Foreign Ministers of France, the United Kingdom, and the Union of Soviet Socialist Republics. The President said that he had followed the Geneva conference proceedings with close attention, remaining in constant contact with Secretary Herter. He expressed the hope that the thorough exchange of views that is taking place there would lead to a better approach to the solution of the problems that confront us in Europe. He, of course, stressed the necessity of finding peaceful solutions to our problems.

The President likewise expressed the hope that on their return to Geneva the Foreign Ministers

⁵ Read to news correspondents by Mr. Hagerty, who is Press Secretary to the President.

would be able to achieve that measure of progress which would make a subsequent meeting of Heads of Government desirable and useful.

DEPARTURE STATEMENT BY SECRETARY HERTER, MAY 28⁶

We are about to leave for Geneva for a resumption of the Four Power talks which have been taking place there in an effort to solve some of the problems inherent in the German situation. Until now we have merely exchanged views with respect to our particular proposals and we have not found any specific points on which one might say we could reach agreement. However, as we leave Washington the four Foreign Ministers will be traveling together by plane, and it is hoped that during the exchanges that will be taking place during this trip we may perhaps find some more hopeful avenues of accord which we can develop when we get to Geneva.

I have never been overoptimistic with respect to the outcome of these conversations. On the other hand, I still have hopes that we can find sufficient progress as a result of our discussions to justify accomplishment within the Foreign Ministers Conference itself and fruitful avenues to be pursued at a later summit conference.

U.S. Calls on Soviets To Cease Threats of Unilateral Action

Following is a statement made to news correspondents on May 25 by Lincoln White, Chief of the News Division, concerning a Soviet note of May 23 which again criticizes measures for modernizing NATO defenses, together with the text of the Soviet note.

STATEMENT BY MR. WHITE

I have a statement on the Soviet note of May 23. There is nothing new in the Soviet note of May 23. It repeats Soviet criticism of the legitimate defense measures which have been under-

⁶ Made at Washington National Airport upon departure with the Foreign Ministers of France, Great Britain, and the U.S.S.R. for resumption of the Geneva talks (press release 374).

taken by the NATO countries. This criticism has already been effectively answered by the communique of the North Atlantic Council of May 7 and by the note of the United States of May 8.¹ We see no need for carrying on the correspondence.

This decision by NATO countries, which is, of course, not new, that they cannot rely for their defense on arms of the preatomic age while Soviet forces are being equipped with the most modern weapons is not in any sense a threat to the peace, as the Soviet Government alleges. It is rather the continued misrepresentation of the motives which underlie this decision that adds to international tension.

We share the view which the Soviet Government expresses in its note that actions which cause tension should be avoided at this time when important negotiations are under way in Geneva. In this connection it would be helpful if the Soviet Government would cease its threats of unilateral action with regard to the problems under discussion—threats which have been repeated within the past few days by high Soviet spokesmen. As Secretary of State Herter has made clear in Geneva, such threats can scarcely improve the chances of successful negotiations at any level.

TEXT OF SOVIET NOTE

Unofficial translation

The Ministry of Foreign Affairs of the Union of Soviet Socialist Republics presents its compliments to the Embassy of the United States of America and referring to the Embassy's note No. 958 of May 8, 1959, has the honor on instruction of its Government to state the following.

In the note of the Ministry of Foreign Affairs of the U.S.S.R. of April 21² the attention of the Government of the United States was drawn to information which has appeared recently that the United States of America is taking measures to hasten the nuclear and missile armament of certain countries—members of NATO, and to speed up the implementation of plans for locating missile bases on the territories of these countries. The Soviet Government has observed that measures of this kind in relation to certain NATO countries, and in particular the Federal Republic of Germany, will involve extremely dangerous consequences for the cause of peace and are incompatible with those tasks which stand before the Conference of Foreign Ministers and the conference at the summit.

As is apparent from the note of the U.S. Embassy, the fact of the implementation of the above-mentioned meas-

¹ For texts, see BULLETIN of May 25, 1959, p. 739.

² *Ibid.*, p. 741.

ures is not denied. In its note the Government of the United States of America in essence openly declares its intention also in the future to carry on a policy of equipping with nuclear and missile weapons the countries of NATO and in the first rank the Federal Republic of Germany. The supply of these weapons to the Federal Republic of Germany, where militarism and revenge aspirations are being strongly revived, represents in itself a threat to the security of European states and a direct challenge to all peace-loving peoples.

In the note of the U.S. Embassy an attempt is made to portray these measures as defensive, and it is asserted that they have not been timed especially for the Conference of Ministers of Foreign Affairs, but "are a result of long-term NATO policy." However, this does not change the aggressive essence of the said measures and, therefore, they not only cannot serve the objectives of improving the international situation, but, on the contrary, can lead to a serious aggravation of the relations between countries.

Surprise also results from the attempt contained in the note of the Embassy to regard the proposals of the Soviet Union on the conclusion of a peace treaty with Germany and on the peaceful solution of the Berlin question as supposedly directed toward an aggravation of the situation and in this way to draw attention away from the measures of the Western Powers for the creation of ever new bases of missile and nuclear weapons, which really lead to a worsening between the relations between states. It is scarcely necessary to prove that at a time when the Soviet proposals set as their goal the normalization of the situation in Central Europe and the elimination of the threat of the outbreak of a military conflict in this area the measures of the United States and its allies in the North Atlantic bloc, by thus poisoning the international atmosphere, are leading to a strengthening of the war danger.

The Soviet Government again expresses the hope that the Government of the United States will consider the views expressed in the present note and will refrain from actions which lead to an increase in international tension. This is especially important at the present moment when our states have entered into a period of negotiations for the solution of the sharpest international problems in the interest of strengthening peace and assuring security.

Moscow, May 23, 1959

U.S. Deplores Soviet Threats Against Greece, Italy, and Iran

Department Statement

Press release 378 dated May 29

During his visit to Albania, Premier Khrushchev has continued the Soviet propaganda cam-

paign of threats against free nations, with particular reference to Greece and Italy. Moreover, he is reported to have called for the withdrawal of Greece from NATO and to have heaped abuse on Italy for its decision to adjust its defense to modern needs.

Mr. Khrushchev is reported to have said with respect to Greece that the people of every country "should decide for themselves what system they want to have." He should recognize that this right extends to the right of free people everywhere to decide for themselves the nature of their own defense in an atmosphere free from the kind of threats which now rain down upon Greece and Italy from Mr. Khrushchev in Albania and upon Iran from Soviet propaganda media.

The policy of the United States Government is one of unswerving support for these free nations. It regards any threat against them as a matter of mutual concern.

The United States Government has repeatedly pointed out, most recently on May 25,¹ that the use by the Soviet Government of threats which appear deliberately designed to heighten international tensions can scarcely improve the chances of successful negotiations at any level. It regrets that, at a time when the Governments of the United States, the United Kingdom, and France are engaged in negotiations with the Government of the Soviet Union at Geneva, the Soviet Government is intensifying its propaganda campaign of threats against nations which, by their own free decisions, are taking adequate measures for the defense of their independence and territorial integrity.

Admiral Foster To Represent United States at IAEA

The Senate on May 21 confirmed Paul F. Foster to be representative of the United States to the International Atomic Energy Agency. For biographic details, see Department of State press release 363 dated May 26.

¹ See p. 866.

East Germany: Puppet Government

by Hugh S. Cumming, Jr.

*Director of Intelligence and Research*¹

On this eve of Armed Forces Day, as we salute our Army, Navy, and Air Force here at home and overseas, I know you share with me, and with free people everywhere, the longing for a durable peace. Unfortunately the values we cherish—individual dignity, religious and political freedom, economic well-being—do not remain inviolate simply because we wish it so. Inescapably from time to time the ideals of men and their institutions undergo vigorous and critical testing. Certainly no more demanding test has confronted us—as it has for more than a decade—than the hostility of the ambitious, aggressive, and heavily armed Sino-Soviet bloc, dedicated as it is to the premise that the future belongs to communism. With the whole world as its proclaimed goal, international communism stands as the greatest moral and physical peril in our history. Thus, never before has it been more imperative that we achieve a thoroughly united effort by the military and civilian power of our Nation. Only through joint, cooperative action may we meet and overcome this formidable challenge.

Fortunately action of this sort is characteristic of the United States. Our President is at the same time Commander in Chief of the Armed Forces and Chief Executive in our foreign relations. I am happy to think that our joint action finds concrete expression in my presence here today, bringing a pledge of cooperation by the Secretary of State to our symbolic union of the armed services and the civil authorities in tomorrow's ceremonies.

¹ Address made at Langley Air Force Base, Va., on May 15 (press release 334).

Let me turn to another important factor in the strength of our country—a factor that it is especially appropriate to emphasize here in the Commonwealth of Virginia. One of the chief bases of our national unity and of the freedom and progress that characterize our society is our representative system of government. It is with no small pride that we in Virginia recall the contribution to American democracy made by our Revolutionary forebears and by following generations of our fellow Virginians.

Never has this heritage been more critically important than now. As our environment grows increasingly complex, as the potentialities for political and social control by government become stronger, the problem of creating and maintaining institutions which truly advance individual freedom and dignity becomes more pressing. In our own case, and in the entire Western World, individual liberty has been strengthened and individual dignity has been enhanced. No doubt government in the modern world has constantly extended its influence on the individual's well-being; it follows that the measure of a government's legitimacy can only be the degree to which it is responsive to the needs of those it governs. Fortunately for us the architects and builders of our United States have constructed a system of government clearly dedicated through its representative character to the welfare of the individual.

On the other hand, wherever social and political institutions are shaped solely for the gain of a dictatorship, liberty and dignity are destroyed. At this very time when we are meeting together here, there is a meeting going on in Geneva that sharpens this contrast between nations that share

a heritage of freedom and those that are totalitarian dictatorships. I think it might be appropriate this evening for us to consider one of the puppet governments that has been set up by the rulers of the Communist bloc—a government which shows what those rulers are working to foist on free peoples throughout the world. Let us look at the so-called “German Democratic Republic,” where a puppet regime seeks to control and dominate all aspects of life, in politics, business, art, and social activity.

Communist Puppets

At Geneva our Secretary of State, Mr. Herter, is now meeting with the Foreign Ministers of France, Great Britain, and the Soviet Union on problems that result from the continued artificial division of Germany.² The United States has welcomed the opportunity to discuss these issues peacefully, and it hopes, as Secretary Herter has said, that the talks “will prove to be businesslike negotiations and not a propaganda exercise.”³ Given the long list of broken pledges by the Soviets, the allied West has wisely adopted a firm “I’m from Missouri” position.

German advisers from West and East—from the German Federal Republic and from the so-called “German Democratic Republic”—are present to assist the four Foreign Ministers. The Soviet Union claims that both sets of Germans should attend the conference as full-fledged participants, representing what the Russians call the “two German states.”

As a first step in examining the character of the East German regime, let us have a brief look at the backgrounds of the “advisers” who have alleged that they represent the national interests of the 17 million Germans who live in the Soviet Zone. Of the four principal “advisers,” two are Soviet citizens; the third was educated in the Soviet Union and is married to a Soviet citizen. Only the fourth has a reasonably German background, but he is manifestly cast in the role of window dressing and very seldom heard from.

You may well ask, “How can such men profess to represent the aspirations of a people who want to reunify their country and exercise national self-determination, to choose their form of gov-

ernment, their own social and economic system?” The obvious answer is that they don’t. What they do represent is a credo out of Moscow and allegiance not to the German people but an allegiance to communism and to the Kremlin. What they value is, in their own words, “unbreakable friendship and deep love of the Socialist Soviet Union, of the Liberation Army (that is, the Red army), loyalty to the cause of Lenin and Stalin and to the Communist Party of the Soviet Union.” This language speaks for itself.

The self-styled German Democratic Republic, when established in October 1949, was justified by the Russian and German Communists as a “response” to the creation of the Federal Republic of West Germany. As a response it was strikingly inadequate. For proclamation of the Federal Republic in September 1949 followed on democratic elections and a democratically adopted constitution. In East Germany neither free elections nor free discussion preceded the formation of the regime. The entire process was manipulated from the Kremlin to orbit another satellite in the Soviet system. I want to emphasize how completely artificial the East German regime is. This mockery of a government was arbitrarily installed and is forcibly maintained. There is no background, either in historical precedent or international agreement, for any separate form of government in East Germany.

Following World War II the declared purposes of the Allied Powers—Western and Soviet—with regard to Germany were (1) denazification, (2) prevention of the rebirth of aggressive forces, and (3) assistance to the German people in recovering their national self-respect and standing in the community of free nations. But, long before 1945 and the Potsdam conference, the Soviet Union had already cynically set to work to make Germany a Russian puppet. It selected, trained, and repatriated persons who are today the political and military leaders in East Germany.

Conspicuous among them and typical of these people, Wilhelm Pieck, President of the East German regime, has been a Communist since his early youth. Walter Ulbricht, First Deputy Prime Minister, is a Communist, was long a colonel in the Red army, and is probably still a Soviet citizen. Ulbricht was the prime mover in engineering the phony National Committee for Free Germany, which later was the instrument for the

² See p. 859.

³ BULLETIN of May 25, 1959, p. 735.

Communist takeover. Another is Hilda Benjamin, "Red Hilda," a Communist who lived the World War II years in the Soviet Union and is now Minister of Justice, or—as the Germans prefer—"Minister of Injustice."

With the help of puppets like these, the Russians then proceeded to impose the present regime upon the helpless East Germans. As the uprisings of June 1953 demonstrated, the regime could and can be maintained only by force. There are 22 Soviet military divisions still in East Germany. While these divisions play their main role in the larger Soviet strategy toward Europe, they have also been an indispensable mainstay to the regime while it built up its own instruments of forcible repression. Here we see the Soviet contribution toward self-determination, toward letting the German people solve their own problems!

East German Constitution a Dead Letter

The East Germans do have a constitution. Among its principles are some that have a real democratic ring—until we catch the echo from the pious words of the constitution "granted" the Russian people by Stalin. Article 6, for example, speaks of the "exercise of democratic rights"; article 8 of "personal liberty"; article 9 of freedom of expression and assembly; and article 14 of the "right of trade unions to strike." But this constitution is no living instrument like our own. Its principles remain a dead letter. Indeed, when the regime, with active aid from Soviet military forces, bloodily suppressed the uprisings of 1953, every one of these provisions was violated. There were no illusions about the value of these hollow promises in the minds of the patriotic heroes at that time who defended themselves with stones against Russian tanks. Who can doubt that the spirit of these heroes is still alive?

The constitution provides also for equal, universal, direct, and secret elections. But who are the people allowed to vote for? Only groups that meet the Communist specifications may nominate candidates, and at each election the voter is offered only a single list of candidates without choice of party. He cannot even vote "No" but to object must publicly refuse to drop his ballot in the box—with obvious consequences. This system has produced 99 percent majorities, like those which have so long been a routine in the Soviet Union. It is the inventors of this system, by the

way, who so loudly criticize the "mechanical majorities" of the West in the United Nations!

One might wonder why the regime bothers to hold elections at all. They are but a semblance of the democratic process, representing no more than a political "con" game. To the overwhelming majority of the population they are the ultimate in intellectual humiliation. To the regime, however, they add one more means of inflicting discipline.

Why the U.S. Doesn't Recognize East Germany

I have talked at some length about the political complexion of the Soviet Zone of Germany, the unrepresentative character of its regime, and the complete dependence of that regime on the Soviet Union. Despite this record of unresponsiveness to the needs of the people, we in the Department of State are sometimes asked, "Why doesn't the United States recognize East Germany? We recognize West Germany, don't we?"

The fundamental reason for not recognizing the "German Democratic Republic" is that it simply is not a national entity. It is, to repeat, an artificial regime created by the Soviet Union and imposed in the Soviet Zone of military occupation because the Soviet Union has not been able to dominate all of Germany. The Federal Republic of West Germany, on the other hand, does not claim to be a separate German state but is a temporary and partial federation which will be dissolved when a constitution and democratic government for the whole German people comes into force. The Federal Republic, with a population of 50 million, is accepted as the international spokesman for the entire German population by all the non-Communist countries of the world. Our recognition of the "German Democratic Republic" would mean our acceptance of the Communist thesis that Germany is not one but two nations; it would mean, moreover, abandoning the population to communism.

In its unremitting campaign to control the mind and spirit of the East German people, the regime goes to extraordinary lengths. Let me give you an example of its attention to detail. For many years the Duden reference dictionary has traditionally been the one classical authority for Germany on the usage and meaning of words. Today, in the Soviet Zone, a second Duden has appeared. Even this homely device has been used

to distort the simple and traditional meanings of Western concepts. Democracy, for example, is defined as "a form of government, the nature of which is determined by whatever class is in power." Individualism is "self-interest without any consideration for society." To enlighten is "to instruct politically." The word "atheism," which was defined originally as simply "denial of the existence of God," is given a new twist as "scientifically founded denial of the existence of God."

On a very different plane, religion is opposed by the regime, as it is, to be sure, by all Communists. The latest attack has taken the form of a ceremony, a confirmation of the young—but confirmation in atheism! Available evidence clearly shows that soon no boy or girl will be able to enter an institution of higher learning until he or she has received this confirmation.

Or take the law. Courts of so-called "justice" make a mockery in East Germany of due process, rules of evidence, and rights of defense counsel. Their nature was clearly revealed less than a month ago when five Dresden university students, aged 18 to 21, were given prison sentences totaling 37½ years at hard labor for allegedly promoting "antistate" activities on their campus. Observers reported that the trial judge repeatedly attempted to influence the students in their answers and that you couldn't tell the defense attorney from the prosecutor.

Such demoralizing and evil practices will in time pave the way for weakening and undermining the regime. As injustice continues—in the churches, the schools, the trade unions, the business community—the regime will be the loser. The freedom to work, to worship, and to study as one chooses is indivisible. History has repeatedly demonstrated the futility of attempts at infringement of these inherent rights.

Indeed, the Soviet Union would do well to pause in pressing its unreasonable and unwarranted demands on Berlin—to hesitate in urging its puppet regime to impose still further burdens on its subjects. The Soviet leaders might well ask themselves what is to prevent the East German people from rising again as they did in 1953

and with greater force demanding their rights and freedom.

The most eloquent testimony of a people in despair is told by the refugees who reach the West. These are the people of whom it has been said: "They vote with their feet." In 10 years 3 million Germans—teachers, physicians, clergymen, engineers, laborers, even state officials—have fled from the Soviet Zone. Many of you may recently have seen and heard some of these people tell their stories on television. The refugees are welcomed by the West, and each arrival is a loss for the Communists.

West's Determination To Stand Firm

These considerations make it all the more urgent to settle the problem of Germany in a way that will insure German reunification in peace and freedom. Secretary Herter and his Western colleagues at Geneva are approaching this problem with a clear determination to advance the cause of peace and freedom by first standing firmly by the West's obligations in Berlin. Armed Forces Day symbolizes for us the military strength we possess to support this firmness. Provided we all play our part, military and civilian together, our diplomacy can effectively give expression to our determination.

President Eisenhower, as you know, has made clear his willingness, if progress is made by the Foreign Ministers, to participate in a Heads of Government meeting to further the cause of reunification and the overriding problem of European security. A divided Germany is a problem which extends beyond Europe alone; it has vital meaning for the entire world. And, as the President has said:⁴

"We must avoid letting fear or lack of confidence turn us from the course that self-respect, decency, and love of liberty point out. To do so would be to dissipate the creative energies of our people, upon whom our real security rests. This we will never do."

⁴ *Ibid.*, Apr. 6, 1959, p. 467.

The United States Role in the World Refugee Year

Following is a statement by President Eisenhower and an address by John W. Hanes, Jr., Administrator, Bureau of Security and Consular Affairs, made at the White House Conference on Refugees at Washington, D.C., on May 21.¹

STATEMENT BY PRESIDENT EISENHOWER²

White House press release dated May 21

It is a pleasure to welcome you to the White House Conference on Refugees. At the same time I want you to know how gratified I am that so many of you have been able to arrange your busy schedules to participate in this meeting. From it, I am sure, will come a clear concept of our country's role in the World Refugee Year.

To such a group as this it is not necessary to describe the daily problems of the millions of dispossessed people around the world whom we call "refugees." You are well aware of their problems. In fact, you and the organizations which many of you represent deserve the highest praise for what you have done and what you are now doing to help these refugees and to keep alive their hope for a better way of life.

The response of the American people to the needs of the homeless and the outcast has always been generous and timely. Since the early days of nazism, and even more particularly since the end of World War II, Americans have opened their hearts and land to thousands of such people.

With charity and understanding the American

people have welcomed these refugees to our shores. Here immigrants have traditionally exchanged their despair for confidence and their fears for security. Today they are citizens; many of them own their own homes; some of them own their own businesses; their children are in our schools; and they, as families, are making a full contribution to our national life.

Much has been done, but the refugee problem remains—acute and chronic—and it will remain so long as the world suffers from political unrest and aggression. And as long as there are refugees, we cannot ignore them.

That is why the United Nations, with the close and immediate support of the United States, sponsored the World Refugee Year. This is a year to focus the concern and the ingenuity—and the generosity—of the world on the continuing problem of refugees. Perhaps, with such a mobilization of effort—as in the International Geophysical Year—but for the advancement of humanity rather than science, it may even be possible to resolve some particular refugee problem. This would be a great step forward, and we can all hope for such progress. In any event we must further our efforts to create lasting international understanding of and concern for this problem, which I fear will be with us for a long, long time.

Now, I have asked you to come together to share with the Government your experience, your judgment, and your insight regarding the things which should be done and how best to do them. The task of refugee care is not one for governments alone. It can be done only with broad and devoted citizen support. As leaders in your own communities, as officers of private groups, I know you will want to assume the greatest possible personal responsibility in this humanitarian cause.

Working together, I am confident this can, and will, be a useful and promising meeting.

¹For a White House announcement and a letter from President Eisenhower to Francis B. Sayre, Jr., Dean of the Washington Cathedral and chairman of the board of the U.S. Committee for Refugees, see BULLETIN of May 18, 1959, p. 709.

²Read by Gerald D. Morgan, Deputy Assistant to the President.

ADDRESS BY MR. HANES

Press release 346 dated May 21

Refugee problems are as old as history. The exodus of the children of Israel from Egypt, the granting of asylum by the Roman Empire to Germanic tribes beset by the hordes from the east, and the flight of the Pilgrims and the Huguenots to our own country are known to all of us.

The refugee has always symbolized man's inhumanity to man, just as he has also symbolized the individual's search for freedom.

The middle decades of the 20th century, therefore, might at first glance not seem to differ in this respect from all previous ages of history. In fact, two things make our era very different indeed.

The first is that advances in modern technology and science have raised the efficiency of tyranny to a hitherto undreamed of level. More people are more thoroughly and more effectively oppressed in more ways by more ruthless political systems than has ever before been accomplished. The Caesars of today not only demand the subjugation of the body, but they also know how to achieve the slavery of the mind and of the soul. As a result the number of refugees has risen to a flood that has labeled our age "the century of the homeless man."

The second difference today is that, for the first time in history, civilization has advanced to the point that people who are not directly affected are nonetheless willing to share the burdens which refugees carry themselves and which they inevitably bring to those places where they find refuge.

The refugee problem is a problem of masses of people; it is a political problem and an economic problem, and a problem of the cold war, and a problem of all the other unhumanized terms which we use today to disguise the fact that we are speaking about real people. But the problems of refugees *are* the problems of real people—each of them an individual human being.

The concerns of the individual have always meant much to us in America. The concept of individual dignity, and a moral obligation to extend it throughout the world, is inherent in every basic American political document. Lincoln, speaking of the Declaration of Independence, said it meant "liberty not alone to the people of

this country, but hope to all the world, for all future time." Quite naturally, therefore, both the American people and their Government have devoted vast efforts and resources in seeking the attainment of individual dignity both at home and in many lands abroad.

These traditional American concepts of liberty underlie not only the leading role which the United States has always played in refugee activities but form a basis for our entire foreign policy. Former Secretary Dulles, describing American foreign policy in January of this year said,³

At a time when war involves unacceptable risks for all humanity, we work to build a stable world order. We seek for general acceptance of the concept of individual dignity which will lead to the spread of responsible freedom and personal liberty.

A 19th century Hungarian patriot, Louis Kossuth, said:

The cause of freedom is identified with the destinies of humanity, and in whatever part of the world it gains ground, by and by it will be a common gain to all who desire it.

Such beliefs were the genesis of the World Refugee Year.

Creation of the World Refugee Year

The General Assembly of the United Nations created the World Refugee Year by adopting on December 5, 1958, a resolution⁴ submitted by the United Kingdom and cosponsored by the United States and eight other nations.

The United Nations, "convinced of the need to make a further world-wide effort to help resolve the world refugee problem," set forth two purposes of its proposal: to focus interest on the refugee problem and to encourage additional opportunities for permanent refugee solutions on a purely humanitarian basis and in accordance with the freely expressed wishes of the refugees themselves. Implicit in the resolution is the hope that new sources of help for refugees will be found during the year—that both countries and segments of the public beyond those who have traditionally supported refugee activities will be stimulated to understand—and to help.

³ BULLETIN of Feb. 2, 1959, p. 151.

⁴ U.N. doc. A/RES/1285 (XIII).

The General Assembly recognized the varied nature of the refugee problem, and of ways of attacking it, by rejecting any centralized direction of the World Refugee Year. Instead, each member state was urged to cooperate in whatever way it deemed most suitable. Significantly, the only "no" votes were cast by Communist-bloc nations.

Many countries are establishing national programs for the World Refugee Year. Her Majesty the Queen is serving as Patron of the World Refugee Year in Great Britain, while the Prime Minister and the leaders of the Labor and Liberal Parties have accepted roles as vice chairmen signaling all-party support, and a World Refugee Year Committee has been established and has already launched a major fund raising drive.

Among others, Australia, Austria, Belgium, China, France, the Federal Republic of Germany, Greece, the Holy See, Italy, the Netherlands, Norway, Sweden, Switzerland, Tunisia, and Turkey have publicly announced plans for participation through organized programs generally involving joint public-private effort and contributions.

U.S. Participation in Refugee Aid Programs

President Eisenhower has issued a proclamation designating the year beginning July 1, 1959, for observance of the World Refugee Year in the United States. He has pledged the support of our Government, and he has asked all citizens to participate in the programs of the privately organized United States Committee for Refugees and the many voluntary agencies active in the refugee field.

As we speak of *the* World Refugee Year, I think we should remember that every year since World War II has been a "refugee year"—for the refugees. We enthusiastically support this international year which, we hope, will bring an ever wider awareness of and sympathy toward refugee problems throughout the world. At the same time I think we can take quiet pride in the constructive international leadership which our country has shown in all the other "refugee years" which have preceded this one.

Since 1945 our Government has spent well over a billion dollars directly on refugee programs.

While World War II was still in progress, the United States played a leading role in creating and supporting the United Nations Relief and Re-

habilitation Administration, which had as one of its responsibilities the care and reestablishment of displaced persons in Western Europe. When it became apparent, as it very quickly did, that UNRRA's primary objective of repatriation must not be carried out because of the fear and hatred which the refugees felt toward their Communist former homelands, the United States led in the establishment of the International Refugee Organization. IRO, before its liquidation in 1951, helped resettle more than 1 million persons. The United States contribution to the refugee programs of these two organizations was about \$300 million.

Nonetheless, several hundred thousand refugees still needing aid were left in Europe. This group was and is constantly being swelled by the thousands more fleeing each year from conditions which are intolerable to them. Elsewhere in the world the Communist subversion of China, the Korean war, the partition of Viet-Nam, and the Israeli-Arab conflict created other refugees numbering in the millions, most of whom were without resources or means of livelihood.

Again the United States played an impressive role in assisting.

We have given strong and continuing support to the establishment and operation of the Office of the United Nations High Commissioner for Refugees and to his program for permanent solutions for the refugees under his mandate.

The United Nations has assisted more than 900,000 Arab refugees displaced by the Arab-Israeli war, and the United States has contributed 70 percent of the funds for this effort—\$219 million to date.

The United Nations Korean Relief Agency took over the problem of the refugees from north Korea. The United States contributed nearly \$100 million directly to this agency and spent, in all, close to \$400 million in Korea to alleviate refugee conditions.

The United States contributed about \$100 million to the successful resettlement of the refugees in Viet-Nam.

Our country has also given many millions of dollars toward assistance to the Chinese refugees in Hong Kong. This aid has been channeled through private relief agencies and the British authorities in Hong Kong and has served to supplement the massive and promisingly successful

housing and resettlement program for refugees which is being carried out by the Hong Kong authorities.

More recently the United States Government has contributed in excess of \$60 million to the care and resettlement of the Hungarian refugees.

At the present time the United States actively participates in three different but related programs which help refugees.

The United Nations High Commissioner for Refugees devotes his principal efforts to reestablishing the refugees in Europe and to the relief of certain other groups of refugees, including Europeans from Red China, Algerians in Tunisia and Morocco, and Jewish refugees from the Middle East.

The Intergovernmental Committee for European Migration (ICEM) is an organization of 28 non-Communist governments. Primarily involved in overseas movements, it has helped resettle more than 400,000 refugees from communism since 1952. The United States contributes about \$12 million annually, which is nearly half of ICEM's budget.

The U.S. Escapee Program is not an international organization but is 100 percent an American program. It helps recent escapees from communism from the time of their arrival in the free world until their successful resettlement. USEP costs vary from \$5 million to \$10 million per year, and this program has been one of our most successful investments.

In addition to these established programs the United States has been providing, under Public Law 480 [Agricultural Trade Development and Assistance Act], surplus commodity food for refugee feeding programs at the average annual rate of \$10 million. This food each year provides much needed help in Hong Kong for the relief of Chinese refugees. Similar programs have been instituted in Austria and Italy to relieve the burden of the support of Yugoslav refugees and in Tunisia and Morocco for Algerians. Surplus commodities are also made available for distribution by American voluntary relief agencies.

These, most briefly, are the governmental programs and the record of United States Government participation in them. That is, of course, very far from a complete record of the situation. For the American people have extended their hands to the homeless and the unfortunate in

World Refugee Year, 1959-60¹

WHEREAS the General Assembly of the United Nations on December 5, 1958, adopted a resolution for a World Refugee Year to begin in June 1959, and urged members of the United Nations and of its specialized agencies to cooperate, in accordance with the national wishes and needs of each country and from a humanitarian point of view, in promoting a World Refugee Year as a practical means of securing increased assistance for refugees throughout the world; and

WHEREAS the United States, consistent with its traditional principles of humanity, sympathy, and interest in the welfare of other peoples of the world, cosponsored and supported the resolution for a World Refugee Year; and

WHEREAS the aims of the World Refugee Year are to focus interest on the refugee problem; to encourage additional financial contributions from governments, voluntary agencies, and the general public for solution of the problem; and to provide additional opportunities for permanent refugee solutions, through voluntary repatriation, resettlement or integration, with due regard for humanitarian considerations and in accordance with the freely expressed wishes of the refugees themselves; and

WHEREAS there has been established recently a United States Committee for Refugees, composed of prominent citizens and representatives of American voluntary welfare agencies, which has expressed a willingness to assume major responsibility for organizing and assisting in the plans for participation of United States citizens in the World Refugee Year:

NOW, THEREFORE, I, DWIGHT D. EISENHOWER, President of the United States of America, do proclaim the period from July 1, 1959, to June 30, 1960, as World Refugee Year; and I invite all of our citizens to support generously, either through the voluntary welfare agencies or the United States Committee for Refugees, the programs developed in furtherance of that Year for the assistance of refugees.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this 19th day of May in the year of our Lord nineteen [SEAL] hundred and fifty-nine, and of the Independence of the United States of America the one hundred and eighty-third.



By the President:

DOUGLAS DILLON,

Acting Secretary of State.

¹ Proc. 3292; 24 *Fed. Reg.* 4123.

the world just as enthusiastically and just as effectively through their voluntary organizations as through their Government. The aid which has gone through the voluntary agencies is impossible to calculate, but it is certainly measured in the billions of dollars. It is also measured by the dedicated private citizens who have lived and worked in the refugee camps abroad and wherever there was need. The overseas missions of the voluntary agencies are more numerous and far-flung than those of the United States Government. Their influence both in the free world and behind the Iron Curtain is immeasurable.

American aid, however, has been more than sending dollars and people abroad. Since 1945 the United States has taken in more than three-quarters of a million men, women, and children under special refugee programs. In addition to these special refugee programs more than 2,500,000 immigrant visas were issued by our Foreign Service under our normal immigration program. Tens of thousands of these visas were issued to refugees.

All this is an extraordinary record and unquestionably unique in the history of nations. It adds up to 15 years of effort—by our Government, by our voluntary agencies and our churches, by thousands of our individual citizens. Over a billion dollars of public funds appropriated by Congress and other billions given by our people through their private organizations! Nearly a million refugees welcomed to our shores to begin a new life!

The Continuing Refugee Problem

I wish I could say that such efforts were no longer necessary, that our 15 years of work had solved all refugee problems. It *has* solved some. It has drastically reduced others. But many, unfortunately, remain, and new refugee problems will undoubtedly continue to arise to plague our consciences so long as conditions exist in the world which create them.

Our pledge to continue the sound and generous programs we have so long supported is undoubtedly the most meaningful contribution which the United States can make to the World Refugee Year.

According to the most reliable estimates, there are presently about 2,350,000 unassimilated refu-

gees who may be considered to need some form of international assistance.

There are nearly 1 million Palestine Arab refugees and 1 million Chinese refugees in Hong Kong. There are 210,000 Algerian refugees and 100,000 escapees from behind the Iron Curtain still in Europe, many yet in camps after nearly 20 years. European refugees still in Communist China number 9,000; Tibetan refugees in India, more than 10,000; refugees from the Middle East, about 5,000; and other scattered groups, approximately 15,000.

These figures do not include the 12 million East Germans who have found refuge in free Germany and who still are arriving at the incredible rate of 2,000 per week, because all of them have full rights and privileges of German citizenship and are economically integrated shortly after their arrival. It also does not include the 15 million refugees in Pakistan and India who also are citizens of the countries in which they reside.

The Palestine Arab refugees represent an essential element of the Middle East tension and are clustered in some of the Arab countries, where most of them exist in camps on care and maintenance help given through the U.N., mostly by the United States.

The Chinese refugees in Hong Kong, having fled from Red China, live for the most part under conditions of unbelievable misery and squalor. Largely precluded from overseas resettlement, this group needs assistance in integration. The Hong Kong government has made heroic efforts and achieved much success. But it needs outside help to meet its staggering problem, for Hong Kong must absorb its million refugees into a total population of only 3 million.

An estimated 100,000 World War II and post-war refugees from communism are still unsettled in Europe and in need of assistance. Almost all are in Germany, Italy, Greece, and Austria. Approximately 35,000 of them are still in camps. The balance, although living outside camps, in many cases live under conditions as bad or worse than those of the in-camp refugees. Emigration is not the only or even the primary solution for this problem. The majority would like to settle permanently right where they are. Probably not more than 30,000 or 40,000 of this group would be willing to emigrate even if opportunity existed.

Algerian refugees have fled to Tunisia and

Morocco in large numbers since 1957. About half of them are children and most of the rest women and old people. They have received assistance from U.S. surplus agricultural commodities, the U.N. High Commissioner, and the League of Red Cross Societies. Their need for the basic essentials of life, however, remains very great and very critical.

The 9,000 refugees of European origin stranded in Communist China are currently being resettled at the rate of 2,500 annually, but the program must be accelerated if they are all to be rescued before it is too late for them.

The latest dramatic refugee-producing development is the brutal Chinese Communist subjugation of Tibet. The flight of the Dalai Lama and the savage fighting has resulted in the influx of more than 10,000 Tibetans into India. American voluntary agencies have offered and are providing valuable assistance to these refugees, and the Indian authorities have been assured of American sympathy and readiness to provide further help as required.

In the past 2½ years thousands of Jewish refugees have fled the Middle East. Some 30,000 have arrived in Europe in the past few years. About half of this number have required and received aid, principally from Jewish welfare agencies. An estimated 5,000 still require international assistance.

Foremost in the minds of many when refugees are mentioned is the tragedy of Hungary. In the months immediately following the revolt more than 200,000 Hungarians sought asylum in Austria and Yugoslavia. Through the inspiring efforts of nearly all free-world governments, together with a host of private agencies and individuals, the problem of the Hungarian refugees was almost eliminated in the relatively short time of 2 years. It is encouraging to know that at least one refugee problem is now at a point where it can be eliminated. Not one unsettled Hungarian remains in Yugoslavia today; and of the 14,000 still in Austria, probably only 8,000 are interested in emigration. These are manageable figures.

These, then, are the problems which we still face on the eve of the World Refugee Year. Certainly they will not all be solved during this year, nor is its objective so unrealistic as that. A few of the easier problems can, we hope, be eliminated

entirely. Others can be materially moved toward a solution. But many will still remain after 1960; and the World Refugee Year cannot be termed a success unless it closes with a greater worldwide understanding of these continuing problems than has heretofore existed.

Five-Point Program

In thinking about the United States role in the World Refugee Year, it has been plain to us that this must comprise two different forms of effort—governmental and private. I hope that later in this meeting there will be a full discussion of the nature and extent of the private effort. At this point, however, I would like to outline our thoughts concerning a Government program for the World Refugee Year. It has five parts:

1. Continued active support of and guidance to established refugee programs at a level of approximately \$40 million a year.
2. A special Government contribution over and above our regular programs to be apportioned among the most pressing refugee problems.
3. A special immigration program to enable admission as immigrants of a share of the refugees needing resettlement.
4. A substantial increase of between \$10 million and \$20 million in the distribution of food to refugees under the surplus agricultural commodity program.
5. Full support to the United States Committee for Refugees as the primary agency for coordination for the nongovernmental aspect of U.S. participation in the World Refugee Year and to the voluntary welfare agencies which have always played such a vital role in refugee assistance.

In attempting to decide how best to use the special World Refugee Year contribution in order to meet the neediest problems, we have followed certain general guidelines. We have confined our plans to those groups of refugees currently considered to be in need of international help. Thus the ethnic Germans in Germany and the north Koreans in the Republic of Korea, for example, have not been included. We also recognized that a certain few refugee problems on the basis of their size or special features could be virtually eliminated through concentrated effort during the World Refugee Year. U.S. assistance in such instances appeared highly desirable, particularly

when, as in one case, the refugees involved are now in a very perilous situation.

Accordingly, in the hope that concentrated effort can go far toward reducing or solving entirely the problem of the anti-Communist refugees both in and out of camps in Europe, the U.S. plans to contribute funds to the United Nations High Commissioner for their rehabilitation. In addition, through special projects with interested voluntary agencies, the United States will assist in the establishment of some of these refugees into countries of resettlement.

Similarly, the U.S. program will include a contribution toward the refugees of European origin in China; and we hope that, with the contributions expected from others, all of this unfortunate group can be resettled from China within the next 18 months.

Recognizing the very special needs of the million anti-Communist Chinese refugees in Hong Kong and in response to a special United Nations appeal for their assistance, the United States plans to contribute funds to assist the Hong Kong government to finance a program of hospitals and rehabilitation projects which was drawn up for the refugees by the UNHCR in conjunction with the Crown Colony. The U.S. contribution will support projects selected from a group including a refugee community center, a primary school, a technical secondary school, and a much needed tuberculosis hospital.

The critical humanitarian need of the 210,000 Algerian refugees in Tunisia and Morocco is such that the U.S. program will include a contribution to the United Nations High Commissioner for Refugees and to the League of Red Cross Societies to assist with their care and maintenance. This financial contribution will be in addition to the continued provision of U.S. surplus agricultural commodities now being made available under Public Law 480.

One unusual problem involving so-called ethnic refugees which does require our assistance is that of the Greek ethnic refugees from the U.S.S.R. These people are "ethnics" in name only, most having lived in Russia for many generations. About 1,500 of these refugees have arrived in Greece during the past 2 years. But they have faced such poor conditions there that some have elected to return to the Soviet Union despite the fact that they obtained permission to

leave only after years of effort. The U.S. program will include a provision for the Greek ethnic refugees.

We would hope, subject to the approval of Congress, that we would be able to contribute to the Arab refugee program at our same high level during the World Refugee Year. We would further welcome the opportunity to concert with other governments participating in the World Refugee Year in arranging for the construction of much needed vocational training facilities which would assist in the rehabilitation of these refugees.

A substantial increase in the size of most programs for refugee feeding could be achieved by making additional surplus foods available to augment those already under distribution. Voluntary agency refugee feeding programs utilizing U.S. surpluses could also be increased in many cases by providing the voluntary agencies with additional funds to increase their distribution facilities. Where possible, both of these things will be done.

I would like to say another word here about voluntary agencies. These agencies, of course, are the key operating element in all programs for refugees. Wherever there are refugee problems, there are the voluntary agencies bringing traditional U.S. assistance to those in need of help. In the refugee camps of Europe, in North Africa, in Hong Kong, in India, in Viet-Nam, in Korea, in the resettlement countries of Latin America, in Canada, Australia, and, of course, here in the United States, the agencies are on hand to carry out the job of assistance. All of the international or national organizations such as the U.N. High Commissioner for Refugees, the Intergovernmental Committee for European Migration, and the U.S. Escapee Program depend upon and always have depended upon the voluntary agencies to provide the operating machinery for their programs. It is the Church World Service, the Catholic Relief Services, the United Hebrew Immigrant Aid Society, the YMCA, the International Rescue Committee, the Tolstoy Foundation, and many, many others which are actually in direct day-to-day contact with and help and counsel the refugees.

I have tried briefly to trace the United States policy of assistance to refugees and to develop the picture of the present situation of refugees throughout the world which led to the World Ref-

ugee Year. I have outlined a Government program for that year. You will hear Dean Sayre discuss the plan for private and voluntary agency contributions to the World Refugee Year, and Congressman [Francis E.] Walter will, I understand, present a plan for the immigration of certain numbers of refugees into the United States.

Soviet Objectives—Facts and Fancies

by Richard B. Wigglesworth
*Ambassador to Canada*¹

As you appreciate, I have not been in my present position for very long. Although I have not had long experience in the diplomatic service, I have spent some 30 years in political and legislative life as a Member of the Congress of the United States. During recent years the major emphasis of my work has been in the field of defense and foreign aid, which has involved one or more official visits to some 27 different countries involved in the programs.

In view of the importance of this audience I would like to refer briefly to some of the reasons back of current free-world policy toward the Soviet Union. I would like to cut through the propaganda fog which the Soviet Government so ably spreads and take a look at the record of the past 20 years in the belief that the undisputed facts clearly reveal for all who will look the basic objectives of Soviet foreign policy. I would also like to show how this record limits the flexibility of the free world in negotiating agreements on disarmament, disengagement, and the discontinuance of nuclear weapons tests.

I would hope that these approaches will leave no room for doubt or fancy regarding the basic objectives and motives of the Soviet Union and will explain why my country does not feel that it can gamble its security by basing important agreements with the Soviet Union on faith, a quality which recent history shows it scarcely deserves.

¹ Address made at a combined meeting of the Canadian and Empire Clubs at Toronto, Canada, on Apr. 16.

I now invite you to discuss, question, or make recommendations about all these matters. I earnestly hope that, by such an interchange of ideas, this meeting will develop the initiative and the support throughout the United States that the President has called for in his proclamation. Certainly the gathering together of such a group of leaders as are here today is an inspiring start

I shall not try to explain the complex issues involved in the Berlin situation. They will be thrashed out at the Foreign Ministers meeting beginning May 11² and, if a summit meeting seems justified, at a later meeting of the Heads of Government. Nonetheless, I trust that some of the facts regarding basic Soviet motives which I shall mention will be helpful in understanding the background of the Berlin negotiations concerning which we shall be reading so much in the days to come.

Clues to Future Soviet Actions

In my judgment the best place to look for clues with respect to future actions by the Soviet Union is in its past actions. The free world cannot afford to overlook the lessons of history and of experience if it is to survive. Past Soviet actions are the only solid indications we have as to future intentions, unless we accept as gospel the no more reassuring writings and statements of their leaders, such as Khrushchev's recent remark, "We will bury you." The history of the last 20 years can be forgotten only at our risk and peril.

We must not forget that on October 31, 1939, Mr. Molotov in a speech before the Supreme Soviet referred to the then recently concluded mutual assistance pacts between the Soviet Union and Estonia, Latvia, and Lithuania. He said:

² See p. 859.

All these pacts of mutual assistance strictly stipulate the inviolability of the sovereignty of the signatory states and the principle of noninterference in each other's affairs. These pacts are based on mutual respect for the political, social and economic structure of the contracting parties, and are designed to strengthen the basis for peaceful and neighborly cooperation between our peoples. We stand for the scrupulous and punctilious observance of the pacts on the basis of complete reciprocity, and we declare that all the nonsensical talk about the Sovietization of the Baltic countries is only to the interest of our common enemies and of all anti-Soviet provocateurs.

This speech was delivered less than 20 months before the U.S.S.R. with its Red army incorporated by force these three independent countries into the Soviet Union. It was delivered only 20 months before the cattle cars moved eastward to Siberia loaded with tens of thousands of men, women, and children who had done no wrong, unless wishing to live in peace as citizens of independent countries was wrong. They had put their trust in Soviet good faith.

We must not forget the key role of the Red army poised on the border when the death knell of democracy was sounded for Czechoslovakia in February of 1948.

We must not forget the first threat to Berlin in June of 1948 and the free world's victory through the round-the-clock airlift.

We must not forget that at the Geneva summit meeting in 1955³ the Soviets agreed that,

The Heads of Government, recognizing their common responsibility for the settlement of the German question and the re-unification of Germany, have agreed that the settlement of the German question and the re-unification of Germany by means of free elections shall be carried out in conformity with the national interests of the German people and the interests of European security.

At the Foreign Ministers Conference in Geneva 4 short months later the Soviet Union refused to reflect that commitment in any action or agreement.⁴

We must not forget that it was only 2½ short years ago that the incredibly brave Hungarian people rose in a supreme effort to obtain freedom and a government of their own choosing. They were on the verge of success when Soviet tanks

brought in from outside Hungary killed thousands of unarmed Hungarians and forcibly reimposed an unwanted regime on that country.

We must not forget that it was only 5 months ago that the Soviet Union artificially created a crisis between East and West over Berlin while loudly professing its dedication to peace.

Gentlemen, these and other developments make all too clear, I think, the basic motives of the Soviet Union during the past 20 years. Those motives are not complicated. They can be summed up in the words "aggressive expansion"—aggressive expansion by subversion and the exertion of political pressure if possible, by the use of force if necessary and if it appears to promise success.

And by subversion I of course mean the whole arsenal of weapons including threats, false promises, infiltration, economic warfare, and other familiar tactics of the cold war. The free world must be prepared to overcome encroachment either by force or by subversion. By its united military strength it has blocked any recent expansion of the Soviet Union by military means and forced the Kremlin to turn to subversion. By united action it can also counter Soviet subversion.

Remembering the fate of Latvia, Estonia, and Lithuania, however; remembering the subversion of Czechoslovakia; remembering the murder of Hungary's fighters for freedom; and remembering Soviet broken promises, including the agreement at the 1955 summit meeting regarding the reunification of Germany by free elections, we in the free world cannot base our security on faith in the unsupported promises of the Soviet Union. This is why, in trying to reach an agreement to disarm or an agreement to discontinue the testing of nuclear weapons or an agreement to prevent surprise attack, the free world must protect its very survival by insisting on agreements which are self-enforcing or which are safeguarded by adequate inspection and control systems. Given the Soviet record during the past 20 years, the West must base its relations with the Soviet Union on knowledge and not on faith.

Disarmament, Disengagement, Nuclear Tests

I have spoken of disarmament. Following World War II the Soviet Union maintained much of its vast military apparatus while the free world drastically demobilized its armed forces.

³ BULLETIN of Aug. 1, 1955, p. 176.

⁴ For background, see *ibid.*, Nov. 7, 1955, p. 727; Nov. 14, 1955, p. 775; Nov. 21, 1955, p. 819; and Nov. 28, 1955, p. 867.

Today it is estimated that the Soviet Army has about 175 divisions while only 21 divisions are in the central command of the NATO Commander, General [Lauris] Norstad. The only way the West can hope to face these overwhelming odds is by having adequate armaments, including appropriate nuclear weapons.

The U.S.S.R. in all disarmament discussions has had as a major objective increasing the relative effectiveness of its massive manpower by denial of nuclear weapons to the West. The West has maintained that only through an agreement under which conventional forces are phased more nearly into balance can the limitation of nuclear weapons be considered. The West for reasons already mentioned has also taken the position that an effective inspection system is an essential part of disarmament. The Soviet Government has maintained the absurd position that the purpose of the West in insisting on an inspection system is not to insure that a disarmament agreement is carried out but is a subterfuge to permit espionage.

I have referred to disengagement. Soviet ultimate objectives with respect to the various forms of disengagement which have been proposed include the withdrawal of allied forces including Canadian, United States, British, and French forces from Germany to their respective countries (3,000 miles for the Canadians and Americans) in exchange for withdrawal of Soviet troops within their borders (a few hundred miles); the neutralization of Germany; and the breakup of NATO.

Aside from the completely artificial creation of the Berlin crisis by the Soviet Union the European border between the Soviet orbit and the West has been comparatively free from dangerous incidents. This in itself casts doubt on the Soviet contention that military disengagement alone—that is, the mere physical separation of forces—would reduce world tension. The vital element in the reduction of world tension is not military disengagement but political disengagement, to which the Soviet Government has yet to make any significant contribution.

I have mentioned the discontinuance of nuclear weapons tests. The United Kingdom and the United States as you know have been ready and willing to reach an agreement to ban such tests provided there is effective, impartial machinery

for policing such a ban. As those of you who have followed the recent discussions at Geneva⁵ in the press will appreciate, the Soviet representatives have been insisting on a system of self-inspection supervised by a control organization subject to veto by any one of the permanent members of the commission. This would give a possible violator full power to prevent any action whatsoever and is not the effective, impartial machinery which the free world must insist on. The West cannot base its survival solely on faith in the word of the Soviet Union in dealing with matters of such vital importance.

Soviet Propaganda

Why is it, when the record of the current history of the Soviet Union is so clear, when the written and spoken words of its leaders are so specific in pointing to world domination as the basic objective of the Soviet Union, that some people—and even some peoples—believe that the Soviet Union is peace loving! Again, I think that the answer is a simple one. They believe that the Soviet Union is peace loving because it says so and because it says so repeatedly in skillful, clever, and sophisticated ways until the real record is forgotten. The agents of world communism devote much more money, more time, and more energy to propaganda than does the free world. Their immediate tasks are often simplified by the fact that they are completely unhampered by facts or truth in carrying out their mission.

Sometimes the object of Soviet propaganda is to disturb and confuse other peoples, and sometimes its object is to lull them into a sense of security which may be entirely false. The 1955 summit conference was used by the worldwide apparatus of communism to convey the impression of respectability for the Soviet Union and to imply that the peoples of the West and of other parts of the free world had nothing to fear from Soviet policies. The conference even included an agreement on German reunification which contributed much to a false spirit of sweetness and light and which there was apparently no Soviet intent to honor in performance.

Soviet propaganda is beamed at a variety of targets and differs in its methods and objects depending on the target. As between NATO part-

⁵ For background, see *ibid.*, May 18, 1959, p. 700.

ners, such as Canada and the United States, the Soviet object is always to create dissension and arouse animosity.

Willingness To Negotiate With the Soviet Union

The policy that the United States has followed in the past and will continue to follow patiently and persistently is that the West's firmness should always be matched by a willingness to negotiate with the Soviet Union wherever and whenever a reasonable basis for negotiation exists.

We must and will continue to advance constructive proposals for the settlement of major international disputes. We cannot be overly sanguine of our success. It may take a long time for the Soviet Union to become convinced that it cannot succeed in its program of world domination, that the free world will not become deluded or weak or fail to stand up for what it believes. As the U.S.S.R. learns this lesson, it will perhaps begin to see that its interests can be served by agreements which guarantee peace and security. This will come only when the Soviet Union recognizes that real coexistence, rather than world domination, is the only course open to it.

Being prudent and vigilant and recognizing the lack of moral motivation in Soviet actions means that agreements reached with the Soviet Union must be of such a character as to be self-enforcing or subject to controls and must not be based solely on faith that the Soviet Union will do what it says.

The Need for Military Power

As President Eisenhower said in his second inaugural address,⁶ "No nation can longer be a fortress, lone and strong and safe. Any people seeking such shelter for themselves can build only their own prison." This is as true for the United States as for any other nation.

The free world together has enormous military power. It has today the necessary power to present to any aggressor who would unleash war upon the world the prospect of virtual annihilation for his country.

That power provides a vital protective shield behind which efforts can be made to solve what has been described as the major economic problem of the peoples of the free world, namely, to learn

how to strengthen each other so that they may live in prosperity and freedom in spite of the growing menace of Soviet economic imperialism and Communist Chinese economic throatcutting.

Without military power that objective is impossible.

The free world not only has enormous military power; it has economic resources several times greater than those of the Soviet Union and in addition the overwhelming moral resources of the appeal against Communist tyranny.

Canada and the United States have stood shoulder to shoulder with their allies in countering the Soviet threat. As allies in the defense of the North American Continent and as allies in NATO they will continue to play a vital role in meeting this challenge. Together as partners and as allies they can and will contribute immeasurably to the cause which we all have at heart, the cause of freedom, security, and world peace.

United Kingdom To Relax Controls on Many Imports From Dollar Area

Press release 372 dated May 28

The United States welcomes an announcement made on May 28 by the Government of the United Kingdom that British controls on the importation of many consumer goods from the dollar area are to be removed, effective June 8, 1959. In addition, Britain's so-called global quotas for imports from Western Europe and certain other nondollar countries will be opened to the dollar area at the beginning of the next quota year (for most commodities January 1, 1960). Dollar quotas on imports of automobiles and most types of fruit will also be increased.

Among the goods to be freed from import control are: cheese; eggs; honey; fresh, frozen, and canned vegetables; cereal breakfast foods; paints; toilet preparations and perfumery; soaps, detergents, and disinfectants; plastic, leather, and rubber manufactures; household appliances, such as washing machines and refrigerators; shoes; and musical instruments.

Commodities for which the so-called global quotas will be opened to U.S. exporters include: sporting goods, toys and games, stationery, cutlery, paper manufactures, and fresh pears.

⁶ *Ibid.*, Feb. 11, 1957, p. 211.

The Peaceful Uses of Outer Space

Following are statements made by three of the U.S. Representatives to the U.N. Ad Hoc Committee on the Peaceful Uses of Outer Space, which convened at U.N. Headquarters in New York on May 6.¹

STATEMENT BY HENRY CABOT LODGE²

This Committee has important work to do, and I shall not delay it with a long statement.

Our task is to help to chart for the United Nations a course of cooperation among nations in the use of outer space for peace. In no field of endeavor is cooperation among nations more appropriate or more necessary. When we go about the business of exploring the universe the rivalries of men and nations really do look petty and ridiculous. The job is far too big for any one nation, no matter how big or how advanced in technology that nation may be. Every nation has a part to play and all peoples stand to gain from the results.

Therefore it is most gratifying to see this Committee meet and get down to business. The wealth of scientific and legal knowledge possessed by the states represented here today is an excellent augury for our success.

Our first task here is to adopt a plan of work. The United States has some views on that subject, and I shall present them in a moment. But before doing so we should remind ourselves now

¹For an announcement of the U.S. delegation, see BULLETIN of May 25, 1959, p. 767; for a statement on "International Cooperation in the Use of Outer Space" made by Assistant Secretary Wilcox before the House Committee on Science and Astronautics on Mar. 6, see *ibid.*, Mar. 23, 1959, p. 399.

²Made at the opening session on May 6 (U.S./U.N. press release 3178 dated May 5). Ambassador Lodge is U.S. Representative to the United Nations.

that we are not dealing with remote dreams but with hard facts of the present and real probabilities—if not certainties—for the future.

As of this moment 11 earth satellites have been launched successfully, all of them since 1957. Five of these are in orbit today, and one is expected to remain in orbit at least 200 years.

Literally hundreds of high-altitude rockets or "space probes" have been shot hundreds of miles, and in some cases even thousands of miles, beyond the earth's surface to gather scientific data. Two of these have passed forever out of the earth's gravitational dominance and are now in orbit around the sun.

As a result of these and other experiments during the International Geophysical Year of 1957-58,³ whole fields of scientific knowledge are rapidly expanding—for instance, knowledge about the earth's magnetic field; about bands of radiation surrounding the earth; and about reactions of animals to space travel. Great strides are being made in rocketry and in radio communications with space vehicles.

Benefits Expected From Earth Satellites

Those are the facts of today. The probabilities for the fairly near future are, practically speaking, far more important to man's life on earth. Here are a few benefits expected from earth satellites alone:

1. Earth satellites can bring about a revolution in long-range weather forecasting, with incalculable benefits in saving multitudes of people from famine and floods. Satellites will scan the entire surface of the earth and radio back precise information on cloud masses, rain, storms, tempera-

³For an article on "The International Geophysical Year in Retrospect" by Wallace W. Atwood, Jr., see BULLETIN of May 11, 1959, p. 682.

ture, and other weather data. This will mean, for the first time, really useful long-range forecasting covering periods of several weeks and even longer.

2. Earth satellites may eventually become major tools of radio communication between cities and continents on the earth. There will soon be a great need for such new means of communication. The present transatlantic telephone cable, which has a capacity of 36 voice channels, is expected to fall behind the demand by 1962, and although a new cable is now planned with several times the capacity of the present one, it will already be overloaded by the time it is laid down. This kind of problem is arising the world over. The long-range possibilities of satellites as reflectors and repeating stations for radio messages are therefore tremendous. It is even possible that they may be used for intercontinental television.

3. Data from the International Geophysical Year have already changed man's notions about the shape of the earth. Geodetic satellites can further refine man's knowledge of his own planet. By using satellites we can determine geographic details for mapping with far greater accuracy, especially in previously unexplored land areas of the earth.

4. Ships will probably be able to calculate their exact position within less than a mile, in any weather, by tracking earth satellites which transmit radio signals.

Some of the longer range possibilities can also be foreseen. For example, scientists hope one day to set up an astronomical telescope in outer space. Thus for the first time man could view the stars clearly, free from the distortions caused by the earth's atmosphere. This kind of large-scale project might well call for teamwork by many governments.

Finally, there is the near certainty that man himself will circle the earth in satellites within a few years and that, sooner or later, he will travel in interplanetary space.

If these probabilities are to become actual facts for the benefit of all nations, the nations must cooperate to make them so. How necessary this is has already been proved. The wealth of scientific knowledge from the earth satellites already launched would never have been obtained unless thousands of specialists had worked together in many countries around the globe—

tracking satellites, collecting and analyzing radio signals, and sending high-altitude sounding rockets into the upper atmosphere.

Much of the necessary cooperation is being carried on by the Committee on Space Research of the International Council of Scientific Unions, which is also called COSPAR. This organization of scientists is continuing the cooperation begun during the International Geophysical Year. Its work is of the greatest value. But there must also be cooperation among governments. That is why we are here.

Suggested Plan of Work

Now as to our plan of work, Mr. Chairman, the United States believes we can take as our point of departure paragraph 1 of the resolution by which the General Assembly last year created this Committee and defined our task.⁴ That resolution asked us to report to the 14th session this fall on four main topics. I shall take up each of these in turn.

Topic (a) is: "The activities and resources of the United Nations, of its specialized agencies and of other international bodies relating to the peaceful uses of outer space." In our view this question can best be handled by the Secretariat, with its extensive knowledge of international organizations. We therefore propose that the Secretary-General be asked to report to this Committee on topic (a) at an early date.

Topic (b) is: "The area of international cooperation and programmes in the peaceful uses of outer space which could appropriately be undertaken under United Nations auspices to the benefit of States irrespective of the state of their economic or scientific development. . . ." In the first instance this is a question for qualified scientists. We therefore propose that this Committee establish a subcommittee to deal with topic (b) and report on it to the full Committee. This subcommittee should be open to each member of the Committee wishing to take part. The United States intends to designate Dr. Hugh L. Dryden of our delegation to serve on this subcommittee.

I will pass over topic (c) and return to it in a moment.

Topic (d) deals with legal questions. There are many possible international legal problems in

⁴ For text, see *ibid.*, Jan. 5, 1959, p. 32.

STATEMENT BY LOFTUS BECKER⁶

the outer-space field. Some of these may be remote or abstruse, but others are of real practical importance and may arise soon. To study them we propose that the Committee appoint a second subcommittee of representatives versed in international law. It too should be open to each member of the Committee wishing to take part. The United States intends to designate Mr. Loftus Becker of our delegation to represent us on this legal subcommittee. It should report to the full Committee at an early date.

By following this plan of work the Committee would have before it at an early date the report of the Secretary-General on topic (a) and the reports of the two working groups on topics (b) and (d). We believe that will be the best stage, Mr. Chairman, for the Committee to consider the remaining topic—(c)—“future organizational arrangements.” It is axiomatic that no sound recommendations can be made on organization until the activities involved are clearly understood. This should be the case when the subcommittees and the Secretary-General have made their reports. The full Committee can then frame its report to the General Assembly covering all four topics. We hope that last phase can be finished by July 31.

As a contribution to the work of this Committee the United States has prepared a series of documents on the topics which were set forth in the General Assembly resolution and which I have just discussed. We are making these available to the Secretariat for the use of Committee members if they so desire. We have also made available a brief semitechnical publication on the nature of outer space and space science.⁵

We hope these ideas on how to proceed will seem sensible to you, Mr. Chairman, and to the members of the Committee. We strongly believe that our plan of work should be businesslike and should reflect the practical, technical, nonpolitical job which we have been given to do.

Our immediate tasks are prosaic and even pedestrian. But it is often true and seems to be true in our case that he who keeps his feet on the ground is better able to reach for the stars.

⁵ *The Challenge of Space Exploration: A Technical Introduction to Space*, available on request from the National Aeronautics and Space Administration, Washington 25, D.C.

I am privileged to address this body. When one considers the grave importance of our initial consideration of the broad range of problems relating to the peaceful uses of outer space, I think one must conclude that a deep sense of responsibility, in addition to one of privilege, is entirely appropriate. This body will be examining, during these next weeks, a series of topics which constitute a challenge to our creative abilities. That so many of these problems are to a great extent novel in character means the addition to our deliberations of a real sense of challenge.

The mandate given the *Ad Hoc* Committee is set forth in the resolution of December 13, 1958, passed at the 792d plenary meeting of the General Assembly. It may be useful, at the outset, to refer specifically to that section of the resolution relevant to this working group. The authorization reads, in part, as follows:

The General Assembly . . . 1. Establishes an Ad Hoc Committee on the peaceful uses of outer space . . . and requests it to report to the General Assembly at its fourteenth session on the following . . . (d) The nature of legal problems which may arise in the carrying out of programmes to explore outer space. . . .

This mandate constitutes a request for the identification of those legal problems which, with a fair degree of probability, may arise in the establishing and fulfilling of such exploratory programs. Alternatively stated, it may be said that the task assigned us by paragraph 1(d) of the resolution of December 13 is that of constructing a rationally ordered framework within which are posed a series of questions calling for legal examination and investigation. Our role is to state, in as precise terms as are possible, the necessary questions in the context of the carrying out of programs to explore outer space.

We are *not* called upon to formulate immediate answers to these questions. Nor, if the language of the resolution is looked to, would the Committee appear to be charged with studying in depth these legal questions with a view to proposing definite rules.

Perhaps the importance of this understanding may be made apparent by referring to the evident truth that we of the United Nations are only

⁶ Made on May 7 (U.S./U.N. press release 3179). Mr. Becker is Legal Adviser of the Department of State.

beginning to gather a series of facts, thus far rudimentary and isolated, about the nature of our universe. The extent of the work performed under the auspices of the International Council of Scientific Unions indicates that man's knowledge of his world is at merely a threshold stage. If exploratory programs continue to be carried out at a rate similar to that of the present period—and it is the hope of the United States that this rate will be vastly accelerated—our knowledge of the facts of space life 10 years hence will make our present state of knowledge look like the intellectual awakenings of early adolescence.

It is for this reason that the mandate given us by the Assembly contained in paragraph 1(*d*) of the resolution is indeed exemplary. In being asked to construct an ordered catalog of necessary legal questions, we are asked to do what may—with hard work and good spirit—be done. We are not asked now to build substantive rules which, because of the limited content of our factual information about this widening world, might prove to be ill adapted and unrealistic in its peaceful exploration. The members of the United Nations well know what happens in a society in which the substantive content of the rule of law has no relationship to the facts of social life and to changing climates of social consciousness.

If I may expand on this thesis for a moment, I would state that the rule of law is neither dependent upon, nor assured by, comprehensive codification. At present we know very little about the actual and prospective uses of outer space in all their possible varieties of technical significance, political context, and economic utility. In this situation an effort to agree upon any comprehensive code might either come to naught, or yield a small set of maxims of extreme generality, or produce an unworkable regime which would be dangerous in its giving of a temporary illusion of certainty.

Applicability of U.N. Charter and ICJ Statute

Turning now from the subject of our mandate, in our view it is desirable to make explicit the essential understanding that the application of the charter of the United Nations and the statute of the International Court of Justice is not limited to the confines of the earth; these instruments are

applicable to the relations of earthly states in outer space as well.

It is hardly necessary to remind oneself that article 1 of the charter succinctly sets forth the purposes of the United Nations. Yet it may be of value in this context to refer to paragraph 1 of that article, which reads as follows:

1. To maintain international peace and security, and to that end: to take effective collective measures for the prevention and removal of threats to the peace, and for the suppression of acts of aggression or other breaches of the peace, and to bring about by peaceful means, and in conformity with the principles of justice and international law, adjustment or settlement of international disputes or situations which might lead to a breach of the peace.

Can it be suggested that this complex goal has no relevance to an extraterrestrial situs?

That question is intentionally rhetorical. It seems undeniable that outer-space questions do not affect only outer space, but are of primary interest to us, now and in the future, as they relate to Earth and to our universal interests upon Earth. The goals of developing friendly relations among nations and the achieving of international cooperation in solving international problems are of no less urgency and no less significance because the nations of this sphere have begun to develop interests in other spheres.

Similarly, article 51 of the charter, which recognizes as a principle of international law the inherent right of individual or collective self-defense against armed attack, is not restricted to the terrestrial arena.

These principles may seem obvious to us. Nevertheless it is eminently desirable to make it plain to all that there exists no legal problem as to the universality of the spatial scope of the charter. When the representatives of many of our countries met in San Francisco in 1945 and, since that time, when new nations entered this Organization, we were intending to lay down, and did lay down, the beginnings of an international order limited neither in time nor space.

In addition to this articulated postulate of the universal applicability of the United Nations Charter, there is the further question as to the applicability to outer space of rules of customary international law and provisions of treaties and other international contractual arrangements.

Here the governing considerations would seem

to be quite different. While some rules of customary international law may come to be held applicable in outer space, others would prove to be inappropriate. Consider for a moment a typical provision of a bilateral treaty of friendship, commerce, and navigation which guarantees the right of "vessels" of each contracting party to come with cargoes to all "places and ports" of every kind within the territorial limits of the other. Clearly, an attempt to analogize, at this early date, "vessels," "places and ports," and "territorial limits" is of little practical value, whatever the ultimate decisions might be.

It may also be suggested that the task of selecting those rules of customary international law and those provisions of existing treaties which ought to have extended application to outer space would be both extremely complex and time-consuming. And particularly since so abstruse an undertaking would be entirely unrelated to the identification of the legal problems which it is our mandate to enumerate and describe, embarking at this time on such a course would not seem to be advisable.

Boundary Between Air Space and Outer Space

I want to turn now to the interesting and important development of the considerable and growing debate in existing "space law" literature concerning the need for or advisability of an early international agreement delimiting the boundary between air space and outer space.

Certain proponents in this debate begin with the proposition that existing international agreements, as well as various national laws, while recognizing the full and exclusive sovereignty of each state in the air space above its territory (including its territorial sea), do not contain definitions of what is meant by "air space." These proponents argue that a definition or delimitation of the boundary between air space and outer space is required in order to fix a top limit upon national sovereignty, so as to permit the reaching of new international agreements as to the legal character of outer space. These commentators proceed to argue that for technical, political, and other reasons concepts of national sovereignty should be held, or agreed, not to apply beyond the top limit of air space, as variously defined, and that some other concept—free for all, incapable of appro-

priation, United Nations control, and so forth—be applied beyond such limit.

There are wide divergencies of view between and among these commentators as to how "air space" should be defined, and several have from time to time radically changed the definition or definitions which they have proposed. Some of these definitions have involved the concept of successive contiguous zones in space extending out from the earth.

Other participants in this debate suggest that "air space" be defined as extending to a certain altitude without, as a necessary consequence, deciding that the sovereignty of a state ends at the upper limit of air space. Under this type of arrangement, national sovereignty could be held, or agreed, to extend to some altitude in excess of air space.

There would seem to be at least three differing approaches to this group of problems to which the *Ad Hoc* Committee may wish to give attention in its deliberations:

1. The Committee could examine the wisdom of a strictly pragmatic approach. Under this approach activities in outer space would be carried out as at present, permitting customary international law to be allowed to develop over the course of time, without specific efforts being made to fashion that law by agreement. The adoption of this approach would mean that the Committee would assign a very low priority, if any, to the definition of "air space."

2. A second course of action, which the Committee may wish to consider, looks with favor upon the feasibility and desirability of concluding international agreements on particular aspects of space exploration and activity. Instead of seeking to agree that air space extends so high and no higher—which would leave entirely unresolved the nature of the regime to be applied in outer space—this approach suggests the seeking of international agreements to regulate space activities as they impinge both upon air space and outer space.

3. A third possible course which the Committee might consider is some limit of altitude beyond which it would be considered that space unquestionably constitutes outer space, and not air space or contiguous zones. Without trying to settle definitively where air space ends, nations might

be able to agree within the near future that space beyond a fixed distance from the earth definitely constitutes outer space and that this space is free and open to all states for activities not precluded by applicable agreements or rules of international law. It would most likely be acknowledged that in the present state of scientific and technical information and experience there could be no definitive agreements on regions somewhat nearer to the earth, but in the future it might be possible to arrive at a top limit for air space and, perhaps, a lower limit for the beginning of outer space than that originally agreed upon. There would then be the subsequent question of the value and advisability of establishing any contiguous zones.

This type of approach would have the advantage of bestowing a large measure of freedom of action on nations with respect to a defined region of outer space. Although only the primary step of fixing an altitude beyond which space constitutes outer space could probably be taken at an early date, this course of action would make possible high priority for an early start on consideration of this whole problem. Such an approach should, of course, be supplemented by the conclusion of international agreements of the type envisaged in the second alternative approach, discussed above.

This approach is also suggestive of certain difficulties. Even if the problem of fixing a stationary boundary were overcome, its achievement might be without substantial meaning. For example, artificial satellites launched in geocentric orbits have come much closer to the earth at some points than at others. In some cases the perigee of a given satellite fell within one or more previously proposed altitude boundaries, while the apogee fell outside. Yet it would appear to be of doubtful value to impose one legal regime upon a satellite at perigee and another on the same satellite at apogee.

Use of Existing International Organizations

In a different context, another step that the Committee may wish to take in the preparation of its survey of the problems of outer space is to consider whether, and to what extent, various categories of these problems may best be discussed in existing international organizations. An excellent example is afforded by the universally recognized need for the allocation of frequencies

for radio and other electronic emissions to, from, and between space vehicles and objects.

The International Telecommunication Union, which is meeting in August of this year, possesses the technical facilities and background needed for meaningful discussion of the allocation of frequencies and related matters. Moreover, because of the nature of such emissions, any system of regulation for outer space will have to be carefully coordinated with existing regulations. Under these circumstances it would be appropriate for the Committee to suggest that the problems it is able to identify in this particular area are properly dealt with by the International Telecommunication Union, which is already operating with a view to reaching agreed solutions.

There may well be further categories of space legal problems which may best be dealt with in other specialized international organizations.

Other Legal Problems

It may be appropriate to mention at this time the identification of a number of further legal problems in some order of priority.

A general familiarity with existing space literature indicates that the commentators on this subject, to date, do not differ markedly as to the nature of the legal problems that will arise as a result of space exploration. Disagreement flows primarily from varying points of view as to the priorities to be given the resolution of such problems.

A number of commentators call for a general conference on all aspects of the subject at the earliest possible date. Generally speaking, those who hold this view appear not to be fully appreciative of, first, the enormous amount of preparatory work which would be required and, second, the danger of developing detailed legal rules without fuller knowledge than we now possess of the milieu in which such principles are to operate.

It is the position of the United States that such an overall approach would be premature. We think it would be more practical at this time to consider what specific legal problems relating to outer space should be dealt with upon priority basis, either because of the likelihood of disputes arising if the particular problem is not resolved in the near future or because the particular problem is one that can probably be resolved easily

and without substantial risk, notwithstanding our present limited knowledge of outer space.

Thus the *Ad Hoc* Committee may wish to indicate in its report to the Assembly that the legal problems of outer space should be taken up in some generally agreed order of priority. Moreover, because of the variety of techniques involved, there is a strong probability that the legal problems of outer space should be considered in not one but in various conferences, committees, and organizations.

I would like to suggest a preliminary listing of legal problems of outer space with some regard to the priority with which it may be advisable to consider them.

Liability

Some space objects or vehicles which attain orbiting or escape velocities may be specially designed to reenter the more dense layers of the atmosphere. Others are altogether likely to be consumed in the atmosphere on reentry, although some of the latter vehicles and objects, or parts of them, may fall to earth unintended and cause injury or damage. Still others may fall before attaining orbit or escape velocity. Although under the domestic law of a number of states a judicial *remedy* is available to plaintiffs against the state only for *negligent* torts, it seems likely that international law may develop so as to hold the state of origin liable for injury or damage caused by a space vehicle or object regardless of fault. The Committee may wish to explore the desirability of suggesting the reaching of international agreement as to whether such liability should be held to be absolute or should depend upon a showing of negligence or intent. The real problem in this area is one of enforceability. In this context, therefore, consideration should be given to solving the basic legal problem by recommendation of unqualified submission to the compulsory jurisdiction of the International Court of Justice for any dispute as to a state's liability for injury or damage caused by one of its space vehicles or objects.

Recovery of Space Vehicles and Objects

The Committee may also wish to consider the value of seeking agreement as to the right to secure return of space vehicles or objects, or parts of them, to the launching state after they have landed upon the territory of another state. Such

agreement may be made dependent upon the launching state's undertaking to be liable for any injury or damage caused by such landing and also, possibly, upon the launching state's making every effort to give advance notice of any such landing.

Identification

Even at this early stage of space development, an agreed method of identifying a space vehicle or object may be desirable, and the need for such identification will increase as the number of such vehicles or objects increases.

Visual Markings or Flags

While such markings or flags are customary on the earth and the sea, they would appear to have little utility as respects outer-space vehicles or objects not having a reentry capability.

Identification by Call Sign

It would appear that a more practical method of insuring identification of space vehicles or objects would be to assign a call sign to each and to reach agreement that the assigned call sign be emitted at stipulated regular intervals to facilitate identification.

Orbits or Orbital Characteristics

Still another method of identification would be through satellite orbits or orbital characteristics, which are considered to be more or less readily distinguishable from one case to another.

Registration

While the saturation problem is not now acute, it may ultimately become desirable to agree that the identification marks, call signs, or orbital characteristics of space vehicles or objects should be registered in some central record open to inspection by all.

In connection with the problem of identification of outer-space vehicles or objects, consideration should be given to the problem of derelicts—outer-space vehicles or objects which have accomplished their specific missions but nevertheless continue in orbit. Some may have lost their capability of transmitting data or identifying signals. Others may continue to emit transmissions of one type or another. Since space vehicles or objects may remain in orbit for hundreds of years, consideration should be given to some provision for self-destruction or automatic termination of transmissions.

Public Health and Safety and Contamination

Some consideration may be given to the issue of whether agreement is desirable to protect the public from hazards to health and safety which may be created by the carrying out of programs to explore space, or, differently stated, what agreements or regulations are needed to safeguard space or celestial bodies from contamination.

Reentering Space Vehicles and Objects

At the present time there is little or no legal problem with respect to space vehicles or objects capable of reentering the atmosphere of the earth. Putting aside for the moment questions of injury or damage and liability, the legal problems in this field are most likely to arise upon attaining the capability of putting man into space. The problem may become particularly acute when it becomes possible to put men into orbit under circumstances where an extremely minor deviation in course may have an enormous effect upon the location of the landing site.

The problems in this area may or may not be serious. Certainly the scientists should be consulted before any attempt is made to define these legal problems and their priorities.

One problem arises from the fact that it may be difficult to distinguish a reentry-capable non-weapons satellite from a guided or ballistic missile. This would suggest that any landing rights which such a vehicle would have should be made dependent upon advance notice of launching, course, and any identified variations in course.

Many nations may wish to agree to the principle that such a vehicle will be permitted to enter their air space upon reentry, subject to prior notice, and, as well, subject to the launching state's undertaking to be liable for any injury or damage caused thereby.

Sovereignty Over Celestial Bodies

Another subject to which the Committee may wish to give thought is the question of the regime to be applied to celestial bodies. Shall states of this earth be recognized as capable of obtaining sovereignty over all or part of a celestial body? Shall such bodies be regarded as *res communis*? While it is not our task to answer these questions, it is clear that this Committee should point out that they will arise and

should inquire as to the scientific context in which they will be posed.

Various possible approaches are available here. For example, we could adopt a policy of wait-and-see, until someone reaches a celestial body such as the moon or a planet; rules could then be worked out on the basis of actual needs. Another approach would be to regard celestial bodies as incapable of appropriation to the sovereignty of earthly states. Serious problems may ensue if more than one country lands expeditions on a particular body and they come into conflict in rival activities or attempts at exploitation. Still another possibility would be some form of international administration. In general terms, this would consist of an offer to negotiate an agreement providing for an administrative group to coordinate scientific activities, for example, upon the moon. For the period of such administration the participating nations would agree that they would not make any claims of sovereignty to the moon nor would any activities by any of them during the period of the administration afford a basis for making such claims, in the event that the administration were dissolved.

Interference Between Space Vehicles and Objects

It would appear that regulations to minimize interference between space vehicles or instrumentalities is a problem having a relatively low priority. The scientists should be consulted as to the likelihood of such interference occurring, other than communications interference.

Treatment of Extraterrestrial Life

The question of relations with extraterrestrial life, if discovered, should have a low priority at this time.

Conclusion

This, then, is the initial thinking of my Government with respect to paragraph 1(d) of the resolution of December 13. As we listened with keen interest to the discussion in Committee I last autumn, so we look forward eagerly to hearing the views of the members of this Committee as to the nature of the legal problems which may arise in the carrying out of programs to explore outer space. The work of the *Ad Hoc* Committee is likely to have a significant bearing upon the rec-

ognition and development of the rules of international law applicable to outer space. We are thus presented with a clear challenge to our creativity and our shared sense of responsibility.

I am certain that we will fulfill our goal of preparing a worthy contribution, in legal context, to the report of the *Ad Hoc* Committee to the 14th session of the General Assembly.

With your indulgence, I will close by restating my sense of challenge and pleasure in anticipating our cooperative work.

STATEMENT BY HUGH L. DRYDEN ⁷

I count it a privilege to share in our joint task of preparing a report to the General Assembly on topic 1(b) of the General Assembly's resolution on the peaceful uses of outer space. Our assignment is to outline

The area of international co-operation and programmes in the peaceful uses of outer space which could appropriately be undertaken under United Nations auspices to the benefit of States irrespective of the state of their economic or scientific development, taking into account the following proposals, *inter alia*:

- (i) Continuation on a permanent basis of the outer space research now being carried on within the framework of the International Geophysical Year;
- (ii) Organization of the mutual exchange and dissemination of information on outer space research;
- (iii) Co-ordination of national research programmes for the study of outer space, and the rendering of all possible assistance and help towards their realization;

The advancing progress of science and technology has brought us to a new frontier, the frontier of space. Man, until the end of the last century, was confined to moving to and fro in a two-dimensional world on the surface of the earth. He observed with envy the easy flight of the birds through the air. He studied the heavens above. With his powers of imagination and reasoning he gained knowledge and understanding of the universe in which he lived. A half century ago he mastered the secrets of human flight and left the ground to travel in the atmosphere. Now he has sent his instruments into space, establishing

new satellites in orbit about the earth and two new planets of the sun. He presses forward to gain new knowledge and understanding and hopes himself to search out the new frontier.

Men of many nations have contributed to this forward surge of science and technology. Creative ability is not confined to any race or nationality. The records of past achievement repeatedly demonstrate this potential of men everywhere, given the opportunity to contribute. I am sure that the exploration of space will prove no exception. It is a task vast enough to enlist the talents of scientists of all nations.

Research with satellites and space probes began in the framework of the International Geophysical Year, itself a striking example of the power of a united attack on global scientific problems. The international scientific community has been so stimulated by the results obtained from the IGY space program that it has itself established a mechanism for further consultation and collaboration, the Committee on Space Research (COSPAR).

Other uses of satellites are foreseen for accomplishing better certain tasks now accomplished by other means. The fields of application so far identified are those of meteorology and weather forecasting, long-distance communication, navigation, and geodetic measurements. Others may develop as knowledge and experience are gained.

Because man is himself the most adaptive and versatile measuring instrument and because of his inner desire to see for himself, the manned exploration of the solar system will surely come to pass. Preparation for the initial steps have already been taken, the immediate objective being to place man in a satellite orbit about the earth for a short time, to study his physiological and psychological reactions, to measure his ability to perform simple tasks, and to recover him safely.

These then, Mr. Chairman, would seem to be the three substantive areas which could most fruitfully be examined in our deliberations: space science, satellite applications in other areas, and manned exploration of space. Let us consider each of these areas briefly at this time, reserving fuller examination until the subcommittee on topic 1(b) meets on May 26. At that time an objective survey of these areas might be useful in developing information on which to base future

⁷ Made on May 7 (U.S./U.N. press release 3180). Dr. Dryden is Deputy Administrator of the National Aeronautics and Space Administration.

consideration of outer-space matters in the United Nations.

Space Science

Our newly acquired ability to hurl instruments into outer space makes it possible to carry out important scientific investigations that cannot be conducted at the surface of the earth. Eventually, when man himself enters the realm of space, such investigations will also include direct human observations. For such scientific investigations the convenient phrase "space science" has come into widespread use.

Space research as such is not really a separate scientific discipline. Included are the various branches of physics, chemistry, and the biosciences, supported by all the ingenuity that the engineering and technological sciences can bring to bear. Space science may be regarded as a continuation of the investigation of the earth and its atmosphere, of astronomy and astrophysics in general and of our solar system in particular, and of the origins and fundamentals of life—all from a new vantage point with new tools that promise increased effectiveness.

Just as the fullest development of space science involves the whole spectrum of scientific disciplines, so also does it require the interest, support, and participation of a whole world. In the mechanics of conducting a space research program there is need for international cooperation. The tracking of satellites and space probes and the collection of data from their radio signals provide examples of cases where such cooperation is important. In scientific research itself there are also many areas in which international cooperation is essential to the fullest realization of potential scientific gains. Joint efforts in the investigation of the ionosphere and the fundamentals of radio propagation through the upper atmosphere are required to obtain the worldwide coverage that alone can provide a complete picture.

But most of all, Mr. Chairman, space research needs to draw upon an entire world for its ideas. Those ingenious insights into the real meaning behind a set of observed facts that lead to real advances in the understanding of our universe are not the prerogative of a single nation or group but come from every quarter of the world where men are seriously occupied with scientific research. So vast is the challenge of space research and so great

is the promise to mankind in the way of increased knowledge and ultimate benefits that the world cannot afford to neglect or slight the opportunities that lie before it.

To emphasize the vastness of space research and to indicate the potential usefulness of scientific data in dealing with problems of concern throughout the world, perhaps a few specific examples may be helpful.

Sounding rockets and satellites can be used to continue investigations of our earth and its atmosphere. The pressures, densities, temperatures, composition, and winds in the earth's atmosphere need to be determined as a function of altitude, time, and geographic position, before a complete understanding of our atmosphere can be achieved. Since the sun is the primary source of energy affecting the earth's atmosphere, the details of the relations of solar activity to phenomena in the earth's atmosphere are important. Of practical significance are the relations that may exist between the high atmosphere and weather at the surface of the earth.

Of particular interest is the ionosphere, that portion of the atmosphere which is electrified. At the present time we have a fairly complete knowledge of the earth's ionosphere up to 100 kilometers, a less complete understanding of the ionosphere between 100 and 300 kilometers, and only scattered information about the ionosphere at higher altitudes. Immediate problems of interest call for the exploration of the ionosphere out to its farthest reaches, which may be some tens of thousands of miles from the earth's surface. It is also important to pin down the fluctuations in the ionosphere with time of day, season, sunspot cycle, and geographic position. It is, of course, the presence of the ionosphere that permits the reflection of radio waves for communication beyond the horizon. The state of the ionosphere is as important to long-range radio communications as is the state of weather in the lower atmosphere to transportation and other human activities.

Looking further to the future, both the atmospheres and ionospheres of the moon and planets will be of great scientific interest. The possibility exists that a careful investigation of these may provide increased insight into our own atmosphere and ionosphere and their behavior.

The discovery of the Great Radiation Belt by Van Allen early in 1958 has opened an exciting

new series of investigations in the general field of high-energy particles in space. The opportunity exists now to continue investigations of cosmic radiation, various plasmas in space, and their effects upon the atmospheres of the earth and planets. Those particles that cause the aurora are of interest not only scientifically but also because of the connection that exists between the occurrence of auroras and disturbances to radio communications at the surface of the earth.

Electric and magnetic fields in space form an important area of study. Particular interest focuses upon the earth's magnetic field because of its role in trapping the particles that form the radiation belt. The question arises as to whether or not the moon and planets also have magnetic fields and how these might compare with that of the earth. Simultaneously the question arises of whether these bodies may have radiation belts like the earth's.

The opportunity to perform experiments over astronomical distances provides the scientist with a means of investigating the fundamental nature of gravity. Already the simple observation of satellites has yielded improved values for the shape of the earth. In the near future it will be possible to check the general theory of relativity by comparing the rate of a satellite-borne atomic clock with the rate of a similar clock on the ground.

Through the use of satellites and observatories orbiting above the atmosphere, the astronomers will have an opportunity to observe in the wavelengths that do not get through to the surface of the earth.

Fundamental researches in the behavior of living organisms under the conditions of space and of space flight will be of interest in the area of the biosciences. Perhaps even more exciting is the possibility of finding life forms on other planets.

The conduct of research in space is itself the first useful application of satellites, and it is to be expected that man's new knowledge will be translated into forms that are meaningful and useful to men the world over. Of course, Mr. Chairman, we cannot yet predict the full impact of this endeavor. The benefits to mankind that may develop as a result of experimentation in space will only be fully appreciated with the passage of time.

Other Applications

It is somewhat easier to identify at this time the potential benefits of other applications of space vehicles which are more closely related to familiar activities now accomplished with the more limited means currently available.

In the field of meteorology, as Ambassador Lodge pointed out yesterday, the satellite will open the possibility of a worldwide system for observing the weather. At present our attempts to predict the weather are based on data limited to a small portion of the earth. The meteorological satellite will give us the opportunity to fill the gaps existing today and to obtain a complete picture of global weather. With such information available, weather forecasting will be greatly improved with resulting benefits to agriculture, transportation, and other weather-dependent activities of importance throughout the world.

The communications satellite may well lead to vastly improved worldwide communications in terms of speed, capacity, reliability, and possibly economy. The value of communications among nations is universally appreciated, but, as our demands become more and more stringent, we face the prospect referred to by Ambassador Lodge that present systems will not be adequate to meet these demands. The satellite may provide the means of meeting these needs and in addition may exceed minimum requirements, thereby offering the possibility of fuller communication among nations than ever before. In its simplest form the communications satellite may be a large sphere of perhaps a few hundred feet in diameter, which would be used as a reflector for radio signals beamed at it from earth. A more complex form would be the so-called repeater satellite, in which a radio repeater in the satellite picks up the radio signal from earth, amplifies it, and retransmits it to a station on another part of the globe.

Geodetic satellites offer the means of improving man's view of the size and shape of the earth and distribution of land masses and water. Optical observation of geodetic satellites has the potentiality of yielding the observer's location to less than 100 feet. Improved data on geographical details of the earth may be of economic as well as scientific significance.

The navigational satellite may provide the basis for an all-weather long-range navigational system for surface vehicles and aircraft. With the use

of suitable equipment it would be possible to establish positions with great precision irrespective of the weather. At the present time there is no such worldwide all-weather system of navigation.

These applications of satellites may become feasible within a decade, but it should be recognized that the timing of the availability of these applications depends on many factors over which the scientist can exercise no control.

Manned Space Exploration

Within this same decade we can foresee the beginning of manned space flight. The initial plans for manned space flight are of such a nature that man himself is the principal subject of the experiments, although there is involved the development of solutions for many problems in space technology which are prerequisites to further steps. It will always be necessary to return safely from the high speeds in satellite orbit or in free space by reentering the dense atmosphere, reducing the speed without having the vehicle burn like a meteorite, and landing at a safe speed. Much later, when large payloads of the order of 50 tons can be placed in orbit, it may be possible to build new types of vehicles and propulsion systems of a completely different character to be assembled and launched from a satellite for operation wholly in outer space.

Even with present technology it seems feasible to advance down the road of manned exploration leading in a few decades to manned exploration of the moon. Still later will come expeditions to Mars and Venus and eventually to the bounds of the solar system. Such programs become enterprises to warrant worldwide support and cooperation, particularly in the conduct of research in the manifold fields of science required to insure the success of such an undertaking.

Other Areas Which Need To Be Studied

In addition to the three types of activity just outlined, which might comprise the basis of the subcommittee's initial inquiries, there are other activities in international cooperation which are essential to and complement the substantive program of scientific and technical work. We should consider some of the technical characteristics of the operation of space vehicles and should ex-

amine possibilities for international cooperation in related matters. Some of the areas involved are registration of orbital elements, use of radio frequencies, termination of radio transmission from satellites, the problems posed by "spent" satellites which have completed their useful life, reentry and recovery of space vehicles, identification of space vehicles, and the possibility of extra-terrestrial contamination through the use of space vehicles. Most of these matters are of interest to many countries and cannot be effectively dealt with without some degree of international cooperation.

Referred to earlier in connection with the conduct of scientific research in space and implicit in some of the foregoing technical matters is an activity, the importance of which it occurs to me should be noted explicitly: the tracking of space vehicles. This activity already is and can continue to be one of widespread international cooperative effort.

Just as these technical matters affect all of the substantive fields which we have identified, the problem of effective dissemination of scientific and technical information relates to all of these fields and merits careful consideration.

Finally, attention might be given to the possibilities of mutual assistance in increasing the competence and skill of all nations in space science and technology. This matter may become increasingly significant as opportunities to participate in various aspects of space programs increase.

U.S. Working Paper on Topic 1(b)

The working paper on topic 1(b) submitted by the United States outlines the matters I have suggested here and explores in a preliminary way some types of cooperative activities which might be of interest. This paper may be useful in providing a basis for the discussions of the subcommittee which is to be concerned with this topic, and we would like to suggest that the items mentioned in this paper and in my remarks today be included in the working plan of the subcommittee with the addition, of course, of topics which may be suggested by other members.

Although the United States working paper indicates some tentative conclusions on our part respecting the peaceful uses of outer space and pos-

sible United Nations interest in and activities concerned with these peaceful uses, our paper should be viewed chiefly as an attempt to catalog some matters which it might be useful to consider. Only after a full exchange of views with other members of the committee can we hope to reach satisfactory conclusions within, of course, the limits of our present understanding of this vast field.

Mr. Chairman, in closing may I emphasize the belief of our delegation that through international cooperation ways will be found whereby the benefits of space activities will flow to all countries and all peoples.

Conference on Antarctica To Meet at Washington in October

Press release 369 dated May 28

Representatives of the Governments of Argentina, Australia, Belgium, Chile, France, Japan, New Zealand, Norway, the Union of South Africa, the Union of Soviet Socialist Republics, the United Kingdom, and the United States of America have been engaged in conversations since June 1958 in order to prepare for the conference on Antarctica to which the Government of the United States invited the other 11 Governments on May 2, 1958.¹

These 12 Governments have agreed that the conference shall convene at Washington on October 15, 1959.

United States Delegations to International Conferences

Fourth Inter-American Indian Conference

The Department of State announced on May 14 (press release 332) that Elmer F. Bennett, Under Secretary of the Interior, will head the U.S. delegation to the Fourth Inter-American Indian Conference at Guatemala City, Guatemala, May 16-25, 1959.

Other members of the delegation will include:

¹ BULLETIN of June 2, 1958, p. 910.

Alternate Delegates

Newton Edwards, Bureau of Land Management, Department of the Interior

Edward A. Jamison, Counselor of Embassy, American Embassy, Guatemala

Advisers

Louis J. Franke, Food and Agriculture Officer, U.S. Operations Mission, Guatemala

Paul Jones, Chairman, Navajo Tribe of Arizona, New Mexico, and Utah

F. Taylor Peck, Cultural Affairs Officer, American Embassy, Guatemala

Raymond H. Rignall, Chief Education Adviser, U.S. Operations Mission, Guatemala

Charles L. von Pohle, M.D., Chief Public Health Adviser, U.S. Operations Mission, Guatemala

Clarence Wesley, Chairman, San Carlos Apache Tribe of Arizona

The conference is being convened in compliance with the convention establishing the conference and the Inter-American Indian Institute, approved at Pátzenaro, Michoacán, Mexico, on April 24, 1940, and a resolution adopted by the Second Inter-American Indian Congress, held at Cuzco, Peru, in 1949. On May 5, 1954, the Council of the Organization of American States designated the Inter-American Indian Conference as a specialized conference of American states. This series of conferences is designed to promote the solution of inter-American Indian problems.

The conference will discuss questions of biology, economics, law, education, and social integration as they relate to the Indian populations of the member states.

22d Session of ECE Steel Committee

The Department of State announced on May 26 (press release 362) the designation of Wesley D. Hamilton, chairman of the board and president of the International Steel Co., Evansville, Ind., as the U.S. delegate to the 22d session of the Steel Committee of the U.N. Economic Commission for Europe (ECE), to be held at Geneva, June 2-5.

The Committee, which is one of the principal subcommittee groups of the ECE, provides a forum where experts in the field of steel may meet periodically to consider and discuss matters of common interest. This meeting will be devoted principally to a discussion of the long-term trends and problems in the European steel industry as well as the usual review of the European steel market.

Current U.N. Documents: A Selected Bibliography¹

Security Council

Letter Dated 5 March 1959 From the Permanent Representative of India Addressed to the President of the Security Council Concerning the Pakistani Letter of 27 January 1959 to the Security Council. S/4170. March 6, 1959. 2 pp. mimeo.

Economic and Social Council

Commission on the Status of Women. Access of Women to the Teaching Profession. Report prepared by the United Nations Educational, Scientific and Cultural Organization in collaboration with the World Confederation of Organizations of the Teaching Profession. E/CN.6/345. January 27, 1959. 60 pp. mimeo.

Economic Commission for Africa. Report of the first session. E/3102. January 27, 1959. 82 pp. mimeo.

Economic Commission for Asia and the Far East. Activities of the Food and Agriculture Organization of Special Interest to the Economic Commission for Asia and the Far East. E/CN.11/496. January 28, 1959. 17 pp. mimeo.

Commission on Human Rights. Periodic Reports on Human Rights. Memorandum from the Secretary-General. E/CN.4/776. January 29, 1959. 7 pp. mimeo.

World Economic Situation. Compendium of extracts from resolutions of the General Assembly and the Economic and Social Council involving principles of international economic co-operation. E/3202. January 30, 1959. 76 pp. mimeo.

Freedom of Information: Protection of News and Other Press Information. Report by the Director-General of the United Nations Educational, Scientific and Cultural Organization. E/3204. January 30, 1959. 16 pp. mimeo.

Economic Commission for Asia and the Far East. Information Paper on Technical Assistance Provided to Countries and Territories of the ECAFE Region Under the Expanded and Regular Programmes. Prepared by the TAB secretariat for the fifteenth session of ECAFE. E/CN.11/495. February 2, 1959. 36 pp. mimeo.

Freedom of Information. Media of Information in Under-Developed Countries. Report by the Secretary-General. E/3205. February 2, 1959. 13 pp. mimeo.

Freedom of Information. Observations and proposals received from specialized agencies. E/3206. February 5, 1959. 11 pp. mimeo.

Social Commission. Progress Made by the United Nations in the Social Field During the Period 1 January 1957-31 December 1958 and Proposals for the Programme of Work 1959-1961. Report by the Secretary-General. E/CN.5/334. February 16, 1959. 100 pp. mimeo.

Land Reform. E/3208. February 16, 1959. 18 pp. mimeo.

International Co-operation in Cartography. Report by the Secretary-General. E/3209. February 16, 1959. 51 pp. mimeo.

International Commercial Arbitration. Note by the Secretary-General. E/3211. February 17, 1959. 4 pp. mimeo.

Economic Commission for Asia and the Far East. Report of the Committee on Trade (Second Session) to the Commission (Fifteenth Session). E/CN.11/497. February 19, 1959. 43 pp. mimeo.

¹ Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York 27, N.Y. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

Economic Development of Under-Developed Countries: Energy Development. Report on work done and recommendations. E/3212 and Corr. 1. February 27, 1959. 74 pp. mimeo.

Economic Development of Under-Developed Countries. Report of the Advisory Committee on the Work Programme on Industrialization to the Secretary-General. E/3213 and Add. 1. February 28 and March 12, 1959. 51 pp. mimeo.

Social Commission. Criminal Statistics: Standard Classification of Offenses. Report by the Secretariat. E/CN.5/337. March 2, 1959. 237 pp. mimeo.

Economic Development of Under-Developed Countries. Recent Developments Relating to New Sources of Energy and Recommendations Regarding the Agenda for an International Conference. Report by the Secretary-General. E/3218. March 6, 1959. 27 pp. mimeo.

Economic Development of Under-Developed Countries. Progress report by the Secretary-General on implementation of the work programme on industrialization. E/3219. March 6, 1959. 12 pp. mimeo.

Social Commission. Long-Range Programme of Concerted International Action in the Field of Low-Cost Housing and Related Community Facilities. Report by the Secretary-General. E/CN.5/339. March 9, 1959. 31 pp. mimeo.

TREATY INFORMATION

United States and Canada Sign Atomic Defense Agreement

Press release 360 dated May 25

On May 22 Acting Secretary Dillon and Canadian Ambassador A. D. P. Heeney signed at Washington, D.C., an agreement for cooperation on the uses of atomic energy for mutual defense purposes. The agreement, which stems from the 1958 amendment to the U.S. Atomic Energy Act, will facilitate closer collaboration between the two Governments in planning and implementation of common defense arrangements.

Terms of the accord authorize exchange of classified information on joint defense plans, military reactors, and employment of and defense against nuclear weapons. Also provided for is the transfer to Canada of U.S.-produced nonnuclear parts of atomic weapons systems.

The terms recognize that the agreement will advance the mutual security of the two countries and relate the cooperation to their joint participation in international defense arrangements. In accordance with the terms of the Atomic Energy Act, the signed agreement must now lie before

Congress for 60 days, after which it may be brought into force by an exchange of notes between the two Governments.

The United States and Canada are already co-operating in the field of atomic energy under two agreements: one for exchange of information for mutual defense purposes and the other for co-operation in the civil uses, both signed June 15, 1955.¹

Current Actions

MULTILATERAL

Postal Services

Universal postal convention with final protocol, annex, regulations of execution, and provisions regarding air-mail with final protocol. Done at Ottawa October 3, 1957. Entered into force April 1, 1959. TIAS 4202. *Adherence:* Republic of Guinea, May 6, 1959.

Telecommunication

Telegraph regulations (Geneva revision, 1958) annexed to the international telecommunication convention of December 22, 1952 (TIAS 3266), with appendixes and final protocol. Done at Geneva November 29, 1958.² *Notification of approval:* Belgian Congo and Territory of Ruanda-Urundi, March 27, 1959; French territories represented by the French Overseas Postal and Telecommunication Agency, April 8, 1959; Norway, April 11, 1959.

BILATERAL

Canada

Agreement for cooperation on the uses of atomic energy for mutual defense purposes. Signed at Washington May 22, 1959. Enters into force on the date each Government receives from the other written notification that it has complied with all legal requirements.

Luxembourg

Agreement amending annex B of the mutual defense assistance agreement of January 27, 1950 (TIAS 2014). Effected by exchange of notes at Luxembourg April 21 and May 8, 1959. Entered into force May 8, 1959.

Thailand

Agreement for the loan of a destroyer escort to Thailand. Effected by exchange of notes at Bangkok May 19, 1959. Entered into force May 19, 1959.

Uruguay

Agreement supplementing the agricultural commodities agreement of February 20, 1959 (TIAS 4179), and exchange of notes. Signed at Montevideo May 21, 1959. Entered into force May 21, 1959.

Confirmations

The Senate on May 28 confirmed John M. Cabot to be Ambassador to Brazil (for biographic details, see Department of State press release 351 dated May 21) and John M. Raymond to be the representative of the United States on the United Nations Commission on Permanent Sovereignty Over Natural Wealth and Resources.

The Senate on May 14 confirmed Harold M. Randall to be representative of the United States to the eighth session of the Economic Commission for Latin America of the Economic and Social Council of the United Nations.

PUBLICATIONS

German War Documents Released

The Department of State announced on May 19 (press release 335 dated May 15) the release of *Documents on German Foreign Policy, 1918-1945, Series C (1933-1937), Volume II, The Third Reich: First Phase, October 14, 1933-June 13, 1934*. This is the 12th volume of the cooperative project of the United States, Great Britain, and France, publishing authoritative texts of documents from the archives of the German Foreign Office captured by Allied forces at the close of World War II.

The volume begins with October 14, 1933, when the German Government officially proclaimed its withdrawal from the Disarmament Conference and from the League of Nations. It ends with June 13, 1934, the eve of Hitler's meeting with Mussolini at Venice.

The 506 documents of this volume are printed in chronological order. There is a descriptive list arranged by topics to guide those who may wish to read on particular subjects.

During the period covered by this volume the German Government concluded the nonaggression pact with Poland (January 26, 1934) while, on the other hand, relations with Soviet Russia deteriorated. Despite the growing political estrangement between Nazi Germany and Soviet Russia, Red army leaders continued to express admiration and sympathy for the Reichswehr (documents 47, 176, and 191).

As has been the practice throughout the cooperative tripartite project, the British, French, and U.S. editors have jointly made the selection of the documents here

¹Treaties and Other International Acts Series 3305, 3304, and 3771.

²Not in force.

published, and they jointly share the responsibility for these choices. Under a reciprocal arrangement some of the volumes are edited and printed by the British and some by the U.S. Government. This volume has been edited by U.S. editors and printed at the Government Printing Office. A British edition, put in bound form from flat sheets printed at the Government Printing Office and shipped to Great Britain, is being released at London simultaneously with the release of the U.S. edition.

Copies of the volume, Department of State publication 6750, can be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C., for \$3.75 each.

Recent Releases

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.

The Educational Challenge in Underdeveloped Areas. Pub. 6793. International Information and Cultural Series 65. 7 pp. Limited distribution.

This is the text of an address given by Leonard J. Saccio, Deputy Director of the International Cooperation Administration, before the Conference on University Contracts Abroad at Washington, D.C., on November 13, 1958.

The 1958 Revision of East-West Trade Controls. Pub. 6797. General Foreign Policy Series 136. 51 pp. 25¢.

The 12th report to Congress on operations under the Mutual Defense Assistance Control Act of 1951, devoted mainly to a description of the revision of security trade controls in 1958.

Highlights of Foreign Policy Developments—1958. Pub. 6799. General Foreign Policy Series 137. 26 pp. 25¢.

Another in the popular *Background* series, this pamphlet discusses basic policies and objectives of U.S. foreign policy as well as developments with regard to specific areas or problems during 1958.

ICA—What It Is, What It Does. Pub. 6803. Economic Cooperation Series 51. 13 pp. 15¢.

A pamphlet explaining the function of the International Cooperation Administration and its various programs and projects throughout the world.

Atomic Energy—Cooperation for Civil Uses. TIAS 4172. 5 pp. 5¢.

Protocol between the United States of America and Japan, amending agreement of June 16, 1958—Signed at Washington October 9, 1958. Entered into force February 17, 1959.

Mutual Defense Assistance—Special Program of Facilities Assistance. TIAS 4174. 3 pp. 5¢.

Agreement between the United States of America and the United Kingdom of Great Britain and Northern Ireland, amending agreement of June 8 and 15, 1954, as extended. Exchange of notes—Signed at London February 3 and 13, 1959. Entered into force February 13, 1959.

Surplus Agricultural Commodities. TIAS 4175. 8 pp. 10¢.

Agreement between the United States of America and Turkey—Signed at Ankara February 13, 1959. Entered into force February 13, 1959. With related exchange of notes.

Atomic Energy—Cooperation for Civil Uses. TIAS 4176. 3 pp. 5¢.

Agreement between the United States of America and China, amending agreement of July 18, 1955—Signed at Washington December 8, 1958. Entered into force March 2, 1959.

Surplus Agricultural Commodities. TIAS 4177. 3 pp. 5¢.

Agreement between the United States of America and Yugoslavia, amending agreement of January 5, 1955, as amended. Exchange of notes—Signed at Belgrade September 10 and 11, 1958. Entered into force September 15, 1958.

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Releases issued prior to May 25 which appear in this issue of the BULLETIN are Nos. 332 of May 14, 334 and 335 of May 15, and 346 of May 21.

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†359	5/25	GATT tariff negotiations announced for 1960.
360	5/25	Atomic defense agreement with Canada.
†361	5/26	Emergency aid to Uruguay.
362	5/26	Delegate to ECE Steel Committee (rewrite).
*363	5/26	Foster confirmed as IAEA representative (biographic details).
*364	5/26	Argentine meat processing technicians to visit U.S.
†365	5/26	DLF loan to Korea (rewrite).
366	5/27	Foreign Ministers' tributes to Dulles.
367	5/27	Foreign Ministers' arrival statements, Washington.
†368	5/27	DLF loan to Tunisia (rewrite).
369	5/28	Conference on Antarctica.
*370	5/28	Educational exchange (Argentina, Finland, Greece, Korea, India, Nigeria).
†371	5/28	DLF loan to Haiti (rewrite).
372	5/28	U.K. relaxes dollar import restrictions.
*373	5/28	Morrow nominated ambassador to Guinea (biographic details).
374	5/28	Herter: departure statement.
*375	5/28	Itinerary for King Baudouin.
†376	5/29	Dillon: "The Role of Private Business in Furthering U.S. Foreign Policy."
*377	5/29	Foreign Ministers' arrival statement, Geneva.
378	5/29	U.S. refutes Khrushchev allegations.

*Not printed.

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OFFICIAL
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THE DEPARTMENT OF STATE

Bulletin

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The Department of State BULLETIN, a weekly publication issued by the Public Services Division, Bureau of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

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The Price of Peace and Progress

*by Deputy Under Secretary Henderson*¹

I am quite sure that not one Southwestern student, nor, for that matter, any member of the faculty, had the slightest realization in the spring of 1914 of the sweeping changes that were about to take place in their world. We, of course, expected changes—were hoping for them. The word “progress” was fashionable in those days. Most of us cherished the comforting conviction that, since good ultimately triumphs, change would mean progress and progress was synonymous with the peaceful advance of mankind.

In the spring of 1912 I won the freshman oratorical prize of the Athenian literary society with an oration which, in keeping with the spirit of the times, was entitled “The Price of Progress.” The theme of this oration was that man must progress. He must move forward spiritually, culturally, and materially. Progress could be attained only at the cost of a certain amount of human suffering and sacrifice; nevertheless it was worth the cost. I can still recall the rather high-flown opening words of that oration. They were based on certain scientific theories, long since discarded. I began as follows: “The material world never changes in its volumes or its powers. The earth swings through space, balanced between sun and sun, never increasing or decreasing in the velocity of its revolutions. The human world, however, is not so. The very nature of man compels him to move forward, to grope toward the light.”

Even though during the spring of 1914, my last on this campus, clouds were hanging over

Europe, we could not bring ourselves to believe that our civilization would tolerate a war which would entail mass human slaughter. Our views that peace would prevail were strengthened by learned pronouncements of statesmen and economists. A guest lecturer from one of our great eastern universities assured us that for financial reasons alone no European war could last longer than a few weeks. Bankruptcy would compel the countries involved to lay down their arms and to compose their differences in a more enlightened manner.

When in the summer of 1914 the newspapers and bulletin boards—this was long before the time of radio broadcasts and television—carried headlines about clashes of gigantic armies in Western and Eastern Europe and of casualties by the tens of thousands, we could hardly bring ourselves to believe that we were not merely experiencing a horrible nightmare. It did not occur to us that these armed clashes were merely preparing the stage for developments which in less than 50 years would drastically change our ways of living and thinking, basically alter the world position of the United States, and threaten the very foundations of our civilization.

Even after the United States had become involved in World War I, we entertained high hopes that it would be the war to end all wars, that the victory of democracy would result in a world in which all peoples could cooperate peaceably in the task of elevating mankind. As the war neared its end, we failed to take serious note of the fact that a handful of Communists had opened in Russia a Pandora’s box from which was emerging a pestilence which would plague the world during the remainder of our lives.

¹Address made at commencement exercises at Southwestern College, Winfield, Kans., on May 24 (press release 352 dated May 22). Mr. Henderson was awarded the honorary degree of Doctor of Public Administration.

We underestimated the power of the deceptive slogans employed by the Communists—slogans calculated to inspire hatreds and jealousies, to excite contempt for religion and derision for what we considered to be virtues, to promote racial and religious strife, to deprecate free private enterprise, to create distrust and discord between employer and employee, to set children against their parents, to turn nation against nation and continent against continent. The Communists have proved during the last 40 years that, even though man may have made progress since the stone age, such emotions as hatred, jealousy, and blood lust are still not too deeply latent and in the absence of individual spiritual development can be aroused to such a degree that they can almost completely dominate him.

I do not believe that nazism and fascism would have been able to sweep Central and Western Europe after the First World War if it had not been for the machinations of international communism, its propagation of distrust of democratic processes, its promotion of dissension among the peoples of the West.

Distortion of Nationalism by Communists

The distortion of nationalism among many of the peoples of Africa, Asia, and Latin America into feelings of vindictiveness and envy is primarily the result of astute Communist agitation. Nationalism in itself is a noble sentiment. It springs from the natural desire of a people bound to one another by ties of blood, tradition, or geography to work together for the common purpose of raising their cultural, material, social, and spiritual status on the basis of their own history and heritage. Nationalism in its highest form prompts a people to cooperate with other peoples to the advantage of mankind. International communism has, however, succeeded in degrading nationalism in certain areas of the world, in using it to nurture and enlarge upon outgrown or fancied wrongs, in transforming it from a constructive force to one of destruction and disintegration.

In many countries over which they have not gained control international Communists, under the shelter of free institutions, are energetically and systematically endeavoring to produce chaos and strife. In the countries in which they have already seized control they are seeking to main-

tain conformity and discipline by brutal suppression of human liberties.

I am not basing my remarks on hearsay but on firsthand experience and observation. For 18 years, that is, from 1925 to 1943, my work in the State Department or abroad was devoted to matters pertaining primarily to Eastern Europe and international communism. Five years of this period was spent in the Soviet Union. From 1943 to 1955 my work in the Department or abroad brought me into close contact with the nations of the Near East, South Asia, and Africa. During this period I spent 8 years in Iraq, India, and Iran. I have thus had many opportunities to observe Communists in action, both in countries already under their control and in those countries which they are trying to subvert.

I have seen the trickery to which they have resorted in order to divert the rising tide of nationalism in certain countries into channels hostile to the West, particularly to the United States, which as a leader of the free world is their principal target. We cannot discount the seriousness of their successes in China, in north Korea, and in several areas of southeastern Asia. As a result of their victory on the Chinese mainland they are now instilling hatred of the United States into 600 million Chinese who have little or no opportunity to learn that the American people have always been friendly to the Chinese people and that the United States for almost half a century was one of the staunchest supporters of the integrity of China.

For many years the Communists have been making strenuous efforts to spread the falsehood among peoples of the Arab world that the United States has imperialist ambitions with respect to them and that it is opposed to Arab unity and cooperation. The Communists only recently have taken advantage of the unstable situation in Iraq to gain influence there which, if not checked, may undermine the independence of that country. The Communist-controlled press and radio are trying to convince the Iraqi people that the United States is their enemy. The ties between the people of Iraq and those of the United States have been friendly ever since Iraq achieved its independence. We hope that the memory of the Iraqi people is not so short that they will be deceived by this malicious campaign.

In Africa also international communism is

utilizing agents who for many years have been in training for the hate-provoking tasks to which they are now assigned.

In South and Central America communism continues to be virulently active. It seeks to stir up dissension and distrust among our Latin American friends and to create the belief that the United States is responsible for all economic, political, or social ills. In Europe, in spite of the blood which we have shed during two great wars and of the high principles which we enunciated during these wars, no less than nine countries are under the bondage of international communism.

At the present moment the Communists, while talking about their love of peace and their desire to reduce tensions, are trying to take over additional territory in the Middle East and Europe. They threaten their less powerful neighbors in the Middle East with extermination if they persist in cooperating with the free world. The Communists are also attempting to undermine the determination of the peoples of Western Europe with similar threats.

From time to time they even try to frighten the more timid among us by references to intercontinental missiles and other modern weapons, and by boasts of their ability to destroy every section of our country.

Standing Firm Against Communist Pressure

The free world will not, I am convinced, flinch or yield before such threats. The President and the Secretary of State with the backing of the Congress have repeatedly made it clear that the United States will not retreat in the face of force or the threat of force. For us to do so would discourage our friends and allies throughout the world, most of whom have stood firm in resisting terrific Communist pressures.

International communism during the last 40 years has been responsible for the deaths of tens of millions of human beings and for the physical suffering and mental anguish of many times that number. In the face of our firmness, will its leaders continue to pursue policies which lead in the direction of a catastrophic world war? This is a question which only they can answer. In making their decision, however, they would be wise to take into account not only the free world's retaliatory power but the weaknesses in their own Communist empire. For, paradoxically, it is

probably in the historic countries of Eastern Europe that nationalism persists in its purest form, sustaining the hopes of the captive peoples for liberation from the tyranny imposed on them by Moscow.

If the leaders of international communism should decide that the time has come for them to abandon their efforts to communize the world by sowing seeds of hatred, distrust, and envy and by the resort at the appropriate moment to force, the human race would be able to breathe more easily than it has been able to do during the lifetime of most of you before me. Such a decision, however, would not mean that the grave international problems which we are facing will automatically disappear. Hatreds and resentments are much easier to kindle than they are to extinguish. It would require many years of patient effort to restore international confidence and amity. Furthermore, we would still have with us numerous problems resulting from racial, economic, territorial, and political rivalries. Solution of these problems would require wisdom, patience, and restraint.

It is quite possible that the leaders of international communism will follow a course which, while avoiding the outbreak of war, will nevertheless keep the world in a turmoil for many years to come. They may hope that by making effective use of the highly disciplined masses under their control and by continuing to undermine the unity of the free world they can eventually take it over bit by bit without resort to a total war.

If international communism should decide upon such a course, our country must prepare itself to face a long-drawn-out struggle—a struggle likely to take place in a twilight zone between peace and war. In such an eventuality we shall probably be called upon to make even greater sacrifices in order to maintain strong and unbroken the long front of the free nations.

Need for Public Understanding

If our civilization is to survive, if our concepts of right and wrong, which are at the heart of this civilization, are to be preserved, the American people within the framework of their free institutions must willingly and wholeheartedly rally to the support of their country in such a struggle. I am convinced that they will do so, that they will not hesitate to subordinate their more narrow per-

sonal or family interests, and that they will willingly cooperate with one another and with other free peoples in the winning of the struggle.

Regardless of the role of international communism during the years to come, if the American people are to succeed in preserving the free institutions and the civilization which is their heritage, they cannot, in this fast-moving age, rest content with the present achievements. They must tap even vaster reservoirs of knowledge and skill in the fields of science, culture, industry, politics, and so forth. It is particularly important that there be developed among them highly trained leaders possessing integrity, courage, and vision.

To our educational institutions, at all levels, is assigned a leading role in preparing American youth of today for the tasks which lie ahead. Our higher institutions of learning have a particular responsibility for inspiring and training our leaders of the future. Among the members of the graduating class today are potential leaders of the communities in which they will live and work. They realize, I am sure, that the diplomas which they are receiving are no more than attestations that they have learned how systematically to acquire knowledge and otherwise to develop themselves. It is fitting that exercises of this kind should be called commencements since they are in essence ceremonies drawing attention to the fact that the graduates are ready to start to work on whatever career they may have chosen. The learning process for them is not, of course, at an end. It should be of a much more serious and concentrated character in the future.

Our leaders during the years immediately ahead, regardless of whether their leadership is limited to their communities or extends to the State or to the Nation, cannot afford to confine their studies to the development of skills in the profession or the particular business in which they happen to engage. They must also keep themselves informed of developments in those fields which directly or indirectly shape our destiny as free men and which ultimately determine whether human liberty is to survive.

There is one particular field in which I hope all of you will continue to show an interest, regardless of what your career might be; that is, the field of foreign affairs. It is important that the American people keep themselves thoroughly informed regarding the current international situa-

tion, that they understand what the basic problems of our foreign policy are, and that they obtain at least some idea of the problems and aspirations of other free peoples. If, in the international arena, our Government is to make moves rapidly and with assurance, it must be able to rely upon the support and the constructive criticism of a well-informed, understanding American public.

In view of the kaleidoscopic changes which are constantly taking place in the international situation, one cannot keep himself abreast of what is going on throughout the world except by systematic study. Illustrative of these changes is the fact that there are twice as many independent countries today as there were when I was a student. Hundreds of millions of people for the first time in their history are looking to their own governments for the conduct of their national and international affairs. The face of Asia has been transformed. Vast areas of Africa are in the midst of transition toward self-government or independence.

From these shifts in sovereignty flow many international problems, an understanding of which cannot be acquired merely by listening to the radio or reading the daily press, helpful as these media of communication are. Complications develop when a new state takes its place among the family of independent nations. The United States, like other older states, must adjust its foreign policies to encompass the new members and to establish on a different basis its relations to the people they represent. This means a continuous reexamination on our part of the international situation and corresponding readjustments in our policies.

"Change Is the Law of Life"

I am sometimes asked for a precise description of our foreign policies. Such questions, coming from those whom I have been urging to study such policies, are somewhat embarrassing since a brief outline of our long-term policies is likely to seem trite and a detailed description of our current, intermediate, and long-term policies would fill a book or require a whole series of lectures.

Of late I have been advising friends making such inquiries to read a statement made by our beloved former Secretary of State, Mr. Dulles, before the Senate Foreign Relations Committee on June 6 of last year.² It seems to me that any-

² BULLETIN of June 23, 1958, p. 1035.

one who carefully studies this statement should obtain a good idea of our objectives in the foreign field and the methods by which we are seeking to obtain them. Mr. Herter, our new Secretary of State, has made it clear that under his leadership we shall continue to pursue the policies followed by Mr. Dulles.

I have brought from Washington a number of copies of this statement and have presented a copy to each member of the graduating class. Several other copies are also available to those who might be interested. I hope that they will read it and keep it for reference. In my opinion it is one of the great documents of our time.

I shall not in this discussion attempt to quote all of Mr. Dulles' statement, but I would like to read you several excerpts. In the first place, he dwells on the fact that "the peoples of the world universally desire the elimination of war and the establishment of a just peace." Please note the word "just." He emphasizes that "the security of this nation can be maintained only by the spiritual, economic, and military strength of the free world, with this nation a powerful partner committed to this purpose" and adds that "the effectiveness of our collective-security measures depends upon the economic advancement of the less developed parts of the free world, which strengthens their purpose and ability to sustain their independence."

He makes one other observation which brings me back to the general theme of my freshman oration. He points out that "change is the law of life, for nations as well as for men, and that no political, economic, or social system survives unless it proves its continuing worth in the face of ever-changing circumstances."

Before closing I would like to deal with some questions which must be uppermost in your minds. Has man made progress in spite of or as a result of the suffering and hardship he has endured since the year 1914? If so, has the progress been worth the price? It is my belief that, although in certain respects and in limited areas of the world there has been retrogression, man has in general made progress. In fact, he has advanced in some areas at an unprecedented speed, spiritually, socially, culturally, and materially. In general the price, though great, has not been too high. Sometimes, however, it has been excessive in the terms of mental and physical anguish. During certain periods and in certain

areas the price has been out of all proportion to the gains achieved.

Changes, which ultimately should be of benefit to mankind, can in certain circumstances be brought about more speedily and more decisively by appeals to the baser emotions and by resort to tyrannical measures, violence, and bloodshed than by the adoption of methods of persuasion and education. The speed at which changes are thus effected may, however, be more than offset by the physical suffering and moral degradation which accompany them. Even the most noble objectives may be debased by the employment of ignoble methods in the endeavor to achieve them.

The events of the last 45 years support the lessons of history that change and progress are not always synonymous. We have it in our power, however, to help to make them synonymous. We should exert our utmost efforts to the end that changes in our various political, economic, and social systems required by the circumstances of these fast-moving times are brought about by methods worthy of the objective—methods which do not involve a weakening of moral fiber and which entail a minimum amount of hardship and suffering.

I trust that my frankness in discussing the darker as well as the brighter aspects of the situation in which the world finds itself today will not diminish the joy which envelops these graduating exercises. I consider that commencement is an occasion for frankness. It seems to me that it would not be quite fair to those who are bidding farewell to this beautiful campus if I should have failed to dwell upon some of the problems which they will face and some of the responsibilities which they will be called upon to shoulder during the next few years. So much depends upon them and upon the thousands of other young Americans who are members of the class of 1959.

I have found from my experience in dealing with the young men and women entering our Foreign Service that the youth of today are stimulated rather than discouraged when presented with difficult problems. The graver the problem the greater their eagerness to cope with it. My hopes for the future of our country and of our institutions are placed largely upon them. I am confident that they are worthy of being entrusted with the civilization which has come down to us from our forefathers and that eventually they will pass it on enriched and more radiant to those who come after them.

The Role of Private Business In Furthering U.S. Foreign Policy

*by Acting Secretary Dillon*¹

It is a great honor to be with you today and to participate in your commencement exercises. I congratulate all of you who are sharing so proudly in the academic awards of this great university.

The age in which we live, and which your generation will inherit, has been given many names. In scientific and military terms, it has been characterized as the "nuclear age," the "space age," the "missile age." I prefer to describe it in human terms as an "age of mounting expectations."

I say this because it is an age which offers us a magnificent opportunity to work toward a stable and peaceful world community by helping to raise the living standards of the less privileged peoples of the earth. Their mounting expectations for a better life under freedom present us with our best hope for the future—and with our greatest challenge, as well.

For these same impatient demands for economic growth also provide the leaders of the Sino-Soviet bloc with significant opportunities to advance communism's long-term drive for world domination. If we should fail the newly emerging nations, the Communist leaders are ready, willing, and able to show them a supposedly easy path under totalitarianism. And if their peoples should be lost to freedom, our own security and well-being will eventually evaporate.

I am not unmindful of the menace of Communist military power. I do not discount the crises which confront us in Berlin, in Taiwan, and in the Middle East. But I do not believe that the course of world history will be determined by the unthinkable lunacy of a Soviet-launched atomic

war. Instead, I believe that the future will be shaped by the political, economic, and ideological struggle to which our Western system of free institutions has been challenged by international communism.

The Communists have openly named the economically weak areas of the free world as major targets in their campaign to undermine the West. Their total offensive is therefore aimed at penetrating and capturing the underdeveloped countries of Asia, Africa, the Middle East, and Latin America. Whether or not they succeed will be determined not only by our actions as a Government but also, and to an important extent, by the role played by private enterprise in furthering our country's foreign policy in the underdeveloped world.

That policy, to put it in its simplest terms, is designed to help the peoples of these areas make a genuine start toward realizing their mounting expectations for a better life under free institutions.

These nations are part of the free world. They wish to remain so. But they are the free world's most vulnerable sector. They must never come to feel that their choice lies between bread and freedom. Whether they meet the challenge of growth in freedom or whether they take the Communist road to progress and, in the process, are marshaled against us in hatred and envy, depends in no small part on what we do as a Government and as private citizens. The main burden is on the countries themselves, of course, but it is in our interest as well as theirs that we help to ease and speed the process of growth.

The obstacles in the way of their growth are staggering: There are wide variations, of course, but most of their governments are young, inexperienced, and thinly staffed. There is a shortage of technical, administrative, and organizing skill

¹Address made at commencement exercises at the Graduate School of Business, Columbia University, New York, N.Y., on June 2 (press release 376 dated May 29).

at every level. Some economies are still almost primitive in character. The energies of government leaders are consumed in the struggle to consolidate political power in order to insure their new-found independence. Racial, religious, and class divisions add to economic and political tensions. Tradition and inertia must also be overcome.

In our efforts to help these peoples make a start toward growth, we in the Department of State are actively seeking to enlist the vast resources and talents of American private enterprise. For the skills of our private citizens, their experience in industry, and their resources of capital are a priceless asset that we must employ to the fullest if we are to make the free world strong and to keep it free. The stakes are so high that we must call upon all sectors of our society. We cannot rely upon Government efforts alone.

Our own economic growth is heavily dependent upon our foreign trade and investment. Think for a moment what it would mean to our own domestic economy should the great newly developing areas fail to accomplish their economic growth under freedom. Should they in desperation try the totalitarian, Communist way to economic growth, it would be a human tragedy beyond compare for their peoples. It would also mean sheer disaster for us, for our free enterprise system, and for the spirit of freedom that goes with it.

How We Can Help Developing Countries

I regard this challenge—the achievement in freedom of higher living standards—as the primary economic and political problem of the 20th century. Fortunately it is a problem in which the interests of our Government and our business community coincide, so that a real opportunity exists for a joint effort. We can help the developing countries in a number of ways:

We can help most importantly by finding new ways to increase our own economic progress. Because of our intimate links with the underdeveloped nations, American economic growth will inevitably react favorably on their development. The benefits of our growth and prosperity are transmitted through normal trade and private capital channels to all nations which participate with us in the free-world multilateral economic

system. Unless we stimulate our own growth while maintaining the basic stability and value of our currency, we shall weaken our ability to provide the leadership which the free world so urgently expects of us. An important element in that leadership is the extent to which, by concrete performance, we are successful in projecting the image of a dynamic, expanding economy under free institutions that can never be overtaken by any other.

We can help by continuing to provide technical assistance in education, in agriculture, in health, in industry, in resource surveys, and in public administration. By sending experts into the field, by establishing training institutes abroad, by fellowships and study tours in American institutions, we can do more than convey skills—we can help to convey attitudes and values as well. Many private organizations are making important contributions in this field, both on their own initiative and in collaboration with the International Cooperation Administration. I hope that more and more private groups will enter this field.

We can help the process of growth by providing capital for the basic public facilities on which development depends: the roads, dams, and harbors, the power grids and communications networks that are essential to a modern economy. The long-established Export-Import Bank and our new Development Loan Fund—and, in the international field, the World Bank—are the public financing agencies for this purpose. But the roads, dams, and power grids the banks can help to finance are not direct instruments of production. They do not produce the food, clothing, and housing required for a more decent living. They are, in effect, anticipatory investments. They make it possible for enterprising individuals to produce an increasing variety of goods and services for the consumer.

It is in this great field of production that the private American businessman can be most effective. The underdeveloped countries need his help to establish new productive facilities and the networks for distribution.

In most of the less developed countries, as in the United States, these activities are essentially private activities. There may be differences among countries in the free world in the degree to which governments participate directly in eco-

conomic activity, but the bulk of production and distribution in the less developed countries is in private hands, or is waiting to be developed by private initiative. Surely, here is a great challenge to American business!

Influence of the Private Investor

Because we in the State Department recognize the contribution private American business can make toward speeding the process of growth in underdeveloped areas, we are constantly seeking to give every proper encouragement to the American private investor to export his capital and his skills. They are both scarce resources in the free world today. By putting his funds and his management talents to work abroad, the American investor not only develops effective enterprises; he also stimulates indigenous business groups by the influence of his example.

This influence cannot be exaggerated. The American who invests his capital and his skills in the underdeveloped areas shows their peoples that the methods of a free economy can outperform totalitarian methods in achieving real progress. Much has been done in this field. But much more remains to be done. For example, while American long-term private foreign investment has reached the impressive total of around \$331½ billion, the flow of private capital has been uneven and has been concentrated largely in Canada, Latin America, and Europe. U.S. direct private investment in Asia, Africa, and the Middle East has averaged only \$100 million annually in recent years. Furthermore, half of this investment has been in petroleum, leaving very little for all other purposes.

We can and must find new ways to promote American private investment in the newly developing areas. Last year we called on distinguished members of the business community to advise us in the Department of State as to how we could help in stimulating private investment. As a result of these studies the administration is now supporting revision of our tax laws to provide special incentives for investment in the less developed areas. We are also in the process of making certain administrative changes to put into practice many of the recommendations of our business advisers designed to increase private participation in our foreign economic programs.²

This Nation's foreign policy objectives are not

just Government objectives. They are truly national objectives in the fullest sense. As such they demand truly national support. I would like to suggest certain steps which might be taken by American business in its efforts to further our foreign policy. I am not asking business to assume responsibilities that are ours in Government. I am convinced that what I ask is in the best interest of the business community itself.

First, become more familiar with those areas where historically our trade and investment are small but where they are most needed today: the newly independent nations of Asia and Africa. Every effort should also be made to expand private business activities in Latin America.

Second, when seeking profitable trade and investment opportunities in these areas, American business should always strive to be particularly sympathetic to their ambitions to achieve economic growth as rapidly as possible. Special efforts must be made to adapt to local situations and to endeavor to work within them.

Finally, in establishing itself abroad, business should give less attention to temporarily unfavorable local attitudes and factors and more to how to live with them and thereby improve them. The most enlightened employment practices of American industry should be utilized in every foreign venture so that a real sense of partnership is created with the people of host countries. Perhaps the best way to help create a favorable "climate" for private investment is to demonstrate locally how private enterprise can improve living standards and contribute to economic growth. Partnership arrangements with local businessmen are especially useful in spreading the gospel of private enterprise. I am glad to see that our business leaders are more and more coming to realize and accept the importance of this principle of local partnership.

And now, just one word of caution: We must recognize that many of the problems of the less developed countries simply cannot be solved by private enterprise alone. While an enlarged flow of United States private investment and skills overseas is vital to the success of our efforts to help speed economic growth, it is only one of

² Copies of a report entitled *Expanding Private Investment for Free World Economic Growth*, prepared under the direction of Ralph I. Straus, may be obtained upon request from the Department of State, Washington 25, D.C.

several tools we must employ. The expansion of private investment abroad should never be made the excuse for attempts to curtail indispensable Government activities, particularly those embodied in our mutual security program. The mutual security program can and should serve to prepare and smooth the way for private enterprise. If we do not maintain our mutual security program at adequate levels until the underdeveloped world begins to achieve a satisfactory rate of growth under free institutions, then our whole system of free enterprise will be endangered.

I congratulate each and every one of you on this auspicious occasion. I hope that many of you will enter international commerce and finance, which prize the knowledge you have acquired at this center of learning. It is my special hope that some of the most talented among you will seek opportunities in the underdeveloped world, where an injection of the ingenuity and dynamism that have always characterized American private enterprise would do so much to further self-sustaining economic growth under freedom. Each of you has it within his power to make a great and constructive contribution to the cause of freedom. You have made a long head start toward a life of service and accomplishment. Live it well!

Prince Albert Radar Laboratory Opens in Canada

Following is a White House announcement regarding the opening of the Prince Albert Radar Laboratory at Prince Albert, Saskatchewan, Canada, together with the text of a message of President Eisenhower to Prime Minister John G. Diefenbaker and the Canadian people and the remarks made by the Prime Minister at the opening ceremonies in response to the President's message.

WHITE HOUSE ANNOUNCEMENT

White House press release dated June 6

The Prince Albert Radar Laboratory, officially opened on June 6 by the Prime Minister of Canada, at Prince Albert, Saskatchewan, is sponsored jointly by the Defence Research Board of

Canada and the U.S. Air Force. This new facility is to be used for investigations of the factors influencing the radar detection of aircraft and missiles entering the auroral zone.

The Prince Albert Laboratory will be an extension of the research collaboration that has existed between the Canadian Defence Research Board and the U.S. Air Force during the past few years relative to continental ballistic missile defense. Scientists from the Defence Research Telecommunications Establishment in Ottawa and the Lincoln Laboratory of the Massachusetts Institute of Technology will collaborate on the coordinated research program.

The Canadian site was chosen because it was considered the best geophysical location for the studies of the aurora borealis and its effect on radar detection of aircraft and missiles.

PRESIDENT'S MESSAGE AND RESPONSE BY CANADIAN PRIME MINISTER

White House press release dated June 6

President Eisenhower¹

I am delighted to greet you, Mr. Prime Minister, and the Canadian people on the occasion of the opening of the Prince Albert Radar Laboratory. The completion of this Laboratory constitutes another major advance along the road of cooperative ventures between our two countries in defense research and other fields. The transmission of this message by way of the moon—a distance of almost half a million miles—emphasizes the technical importance of your new laboratory and is a specific illustration of the scientific cooperation between Canada and the United States. The work of this Laboratory cannot fail to make a significant contribution, in future years, toward the solving of mutual problems.

Prime Minister Diefenbaker

It is with great pleasure, Mr. President, that I acknowledge your unique and historical greeting to the Canadian people on this occasion. The

¹The message was recorded on tape and transmitted via the moon from the Millstone Hill Radar Observatory of the Massachusetts Institute of Technology Lincoln Laboratory to the Prince Albert Radar Laboratory.

opening of the Prince Albert Radar Laboratory is a significant milestone in our mutual cooperation in the defense sciences.

Indeed the survival of the free world in the years ahead may depend in considerable measure on the success attained by the United States and Canada in planning together and assuring the joint defense of this vital continental bastion of freedom.

The spirit of your message and the warmth of the friendship which it conveys will be welcomed by all Canadians. I express the appreciation of the people of Canada to you for your leadership in the cause of freedom, and to the people of the United States for the cooperation, trust, and understanding which have been the hallmarks of the partnership of Canada and the United States in peace and war for many years.

Australia and the United States: The Development of Our Common Interest in the Pacific

by J. Graham Parsons

Deputy Assistant Secretary for Far Eastern Affairs¹

I am particularly happy to be invited to attend the council's Australia Day luncheon, and my particular reason is that last month I visited Australia for the first time. To my regret I missed Victoria and Melbourne altogether and merely circled over the beautiful harbor of Sydney. But I did spend 5 hours in Canberra, a visit which of course fully qualifies me as an expert in things Australian. More seriously, it was to me the greatest disappointment in an otherwise fabulous trip to 13 countries of the Pacific area that I could not, because of the rigors of attending in quick succession conferences at Wellington and Baguio, spend a more reasonable time confirming the immediately favorable impressions I received of the warmth of Australian hospitality and of the vitality, determination, and vision of its people.

Five hours was, however, long enough to confirm one impression. While in Canberra I heard the area long known as the Far East denominated as the "Near North." This was of somewhat striking interest because I have heard Americans refer to the Far East as the "Near West." Indeed Premier [Henry Edward] Bolte [of Victoria] has

today reminded us in effect that Australia is on our western frontier, as are the lands to the north on around the rim of the Pacific.

This new Australian and American accuracy with regard to the geographic facts of life is indicative of the enormous interest and fateful significance for us both of the Asian land and island masses which lie in ever more demanding proximity to us both. Many other common ties draw us together: our heritage derived initially from the greatness of Britain but leavened by new Australians and new Americans from many lands, our mutual experience of opening a whole continent to our people, our fidelity to the principles of individual initiative and of private enterprise tempered by a strong sense of civic and social responsibility. But the tie which today binds us most closely of all, perhaps, is our common interest in developments in south and east Asia.

It is this fact which emboldens me to dwell today on impressions gained during my just completed trip through that part of the world. You will, I hope, pardon me if I pay tribute in passing to the excellence of Australian official representation in the area and to the close and cooperative relationship which our two countries' representatives maintain. This choice of especially well qualified diplomats is obvious to all of us who

¹Address made before the Far East-America Council of Commerce and Industry, Inc., at New York, N.Y., on May 19 (press release 341).

have come in contact with them. It is also indicative of the importance to Australia of the "Near North."

Record of Chinese Communists

How then does this area appear today, revisited after an absence of 15 months?² First of all, I would say that the free nations of south and east Asia, occupying as they do severely separate peninsula and island areas, have been given good reason to be preoccupied by the regime which exploits the central landmass and huge populations of China. This regime has compiled a record over the past 12 months which confirms earlier analysis outside the area as to its uncompromisingly aggressive nature. This record is now convincing others within the area of this truth, others who had previously hoped that the analysis was overdrawn, that flexibility on our side would soften rigidity on the Communist side, and that friendliness would deflect the tough conspiracy of Communist imperialism. The record of the past 12 months is in the minds of government leaders and aware people throughout these lands. It includes four major events:

1. The intervention in Japan's 1958 election campaign through severance of all economic ties with the object of defeating a Government devoted to trade and friendly relations with the West. This was followed in Southeast Asia by other demonstrations that trade is deemed of value primarily as an instrument to gain political objectives.

2. The resort to the use of force in the Taiwan Strait accompanied by repeated strident statements of two objectives: the liquidation of Taiwan and the departure of the United States from the Western Pacific.

3. The organization of the communes to put a whole subject people in preventive custody and to mobilize their physical and divert their mental energies for all-intensive service to the regime. This is perhaps the most fearful, immense, and utterly total denial of the human spirit in recorded history.

4. The ruthless suppression of the often-guaranteed political, cultural, and religious autonomy of the Tibetan people. Now Asian Com-

munist have demonstrated that their objectives are indistinguishable from those of their Soviet mentors and that they include the suppression of all individuality and of the national personality of peoples within their grasp. There could be no clearer proof that the Communist imperialists are not the friends but rather the unyielding foes of Asian nationalism.

Byproducts of U.S. Action in Taiwan Strait

It is, of course, a fact that no free nation of the Far East wants Communist solutions and has not wanted them. To suggest otherwise would be invidious. However, a further impression which I have received on this trip is that Asian peoples have come to see more clearly, and in some cases to acknowledge more boldly, the direct relationship between American policies and their freedom to reject Communist solutions.

The United States' prompt support of its ally, the Republic of China, in the Taiwan Strait crisis had in the Far East—or, as I should say, in the Near West—a critically important effect. It dramatized the relationship between the American presence in the Western Pacific and the preservation of their own new-found independence. The fact that the United States stood firm in a most difficult and controversial type of situation had an immediate impact on all of the exposed and peripheral countries of the area. Each of them dreaded the threat of war, as indeed we did too. But each of them dreaded even more that the United States might give way. Instead they saw with gratification that the United States lived up to its commitments, that it could and did move promptly to defend against aggression. This, I believe, has instilled greater confidence that, if need be, the protective shield would serve them too in turn.

In passing I should like to note another by-product of this event. Our Asian friends have learned that the policy of this country with respect to China is not a separate and curious aspect of our current role in world affairs. They are, I am convinced, aware today that our China policy is an integral part not only of our Far Eastern policy but of our global policy against the use of force to diminish the areas of freedom in the world. They see that this policy would have been seriously compromised, that the main anchor would have been loosed, had we not stood firm.

²Mr. Parsons was Ambassador to Laos, 1956-58.

Indeed it is not too much to say that whether we like it or not—and I dare say we all wish it were not so—there is no other quarter of the globe where things are so held together by the presence of the United States as in the Far East.

U.S. Policy in Far East Not Static

A distinguished American authority on Soviet affairs was reported the other day as having joined his voice with those who criticize our China policy as being static and as being dedicated to serving the *status quo*. I might add that this authority appeared concerned that our present policy in Europe might result in the abandonment of East European peoples to Communist slavery but did not seem similarly concerned about the abandonment of 650 million Chinese people to Communist slavery.

I fully agree that our policies must not forget our fellow human beings in Eastern Europe, but I submit that our policies must likewise not forget our fellow human beings under Communist rule in Asia. This is one world, where our objectives are the same.

A *status quo* policy in Asia would accept as an irredeemable fact that the Communists are in enduring control of mainland China. Logically, such a *status quo* policy would be directed toward the perpetuation and formalization of two Chinas: one on the mainland and one on Taiwan.

We do not accept such a *status quo* policy, and I might add that the Chinese do not accept it either—neither the free Chinese Government on Taiwan nor the Communist regime in Peiping. We do not accept it because we believe that the free Chinese Government on Taiwan stands for the traditions and values of China and that it offers hope for countless millions of Chinese people now enslaved behind the Bamboo Curtain. Chinese reactions to recent events in China, including the utterly repressive commune system, show that the Chinese people do not accept the *status quo* except insofar as it is ruthlessly and bloodily imposed upon them.

The Chinese Communists do not accept the *status quo* in the Far East for entirely different reasons. They reject it because their demonstrated and avowed aim is to liquidate free China and to force the withdrawal of American power from the Far East. Once that is done, they consider that the exposed countries of free Asia will

feel compelled to accommodate to Peiping's imperialistic demands.

In short, our China policy—which is an integral part of our broader policies in Asia—is not a *status quo* or static policy. It is our critics who advocate, perhaps unwittingly, the formalization of a *status quo* situation intolerable to the Chinese people themselves and inimical to Asians generally. We also reject the *status quo* in this sense: We believe that our policies and programs must be based on the fact that our world is ever a changing world. Free Asia no longer accepts backwardness and servitude as inevitable conditions of life. It demands something better.

We recognize, as Secretary Dulles often stated, that every nation should be a developing nation, that any society which is stagnant is backward, and that all peoples need to feel that they are part of a dynamic society moving forward creatively. It is our policy to support the objectives of all Asian peoples for independence, for social advancement, and for better conditions of life because we know it is clearly in our own interest to do so. Much has been done and is being done by our Government in fulfillment of that policy.

Japan's Contributions to Asian Development

In this connection it is heartening to see the significant constructive contribution which the new and revitalized Japan is making toward the economic development of Southeast Asia as well as other parts of Asia. At present Japan has reparations agreements, development projects, and technical assistance programs totaling some \$2 billion in value. Over a period of years these bilateral agreements will help to quicken the economic life of the recipient countries and thus contribute to their stability and strength.

The recovery of Japan is impressive indeed; it is evident that this recovery has also impressed the Communist bloc, which has made repeated efforts to intervene or to force changes in Japan's friendly and constructive policies toward the free world, where trade and investments are for mutual advantage and not, as in the Communist world, for the attainment of ulterior political objectives.

Growing Strength of Free Asia

On this trip just concluded I gained the impression that there has indeed been progress as

well as change in all the 11 countries I visited to the north of Australia. With each year that passes the countries of the area gather momentum, gaining experience in local and in international affairs, developing their institutions in accordance with their own individuality, and exploiting their resources with growing technical and managerial skills which they largely lacked in the colonial period. This progress is, of course, in our common interest too, as it means the consolidation of freedom in the area.

With each year that passes, the growing strength of Asian nationalism becomes a surer guarantee that Communist solutions will not voluntarily be accepted. Furthermore, as the memories of past colonialism recede and as Communist imperialism persists, there will, I believe, be a broadening and deepening among Asian peoples of the consciousness, already evident among their leaders, as to where the danger to their freedom lies. This, of course, poses a challenge, particularly to those of us who are their neighbors on the rim of the Pacific. Never again can we, as we on this side once thought, afford to isolate ourselves from events on the western rim of the Pacific.

There we do indeed have friends, both of us, and it is my observation that there is a growing warmth in our relationship as a whole. I thought also, as I sought to appraise American relationships in this area, that there is generally a growing confidence that the United States respects the positions of each of these Asian countries, a growing recognition that it is not seeking to force them into situations not of their choosing and that it stands genuinely for an improvement in regional relations and cooperation among these countries. This last is important in an era when the Communists so often demonstrate an interest in producing frictions and in the disintegration of friendly relationships.

Nevertheless, this world continues to live under precarious conditions for all the improvement I have noted. We Americans cannot afford to be complacent or merely defend the *status quo*. We must instead continue to exert ourselves and continue to contribute, and with growing effectiveness, to the favorable development of these countries whose future, like that of other free areas of the world, is bound up with our own security. In so doing I would hope that we will appear, as

indeed we are, genuinely interested in the welfare of their peoples and not merely preoccupied with the task of stemming Communist imperialism, vital as this task is for us all. As President Eisenhower has said,³

We could be the wealthiest and the most mighty Nation and still lose the battle of the world if we do not help our world neighbors protect their freedom and advance their social and economic progress.

I know that our Australian friends will not dissent from this view, and I know that they will continue steadfastly to do their share in promoting in the broadest sense our common interest in the area. We have come through difficult days. There is every reason to expect further progress if we continue to face up to the challenge of our times with firmness and confidence as, I am convinced, we surely will do.

Letters of Credence

Thailand

The newly appointed Ambassador of Thailand, Visutr Arthayukti, presented his credentials to President Eisenhower on June 1. For texts of the Ambassador's remarks and the President's reply, see Department of State press release 379.

U.S. Deplores Action of Olympic Committee

Department Statement

Press release 383 dated June 2

The decision of the International Olympic Committee to expel the athletes from the Republic of China is a clear act of political discrimination.

Prior to 1958, athletes from the Republic of China and from the Chinese Communist regime participated in the IOC in accordance with its principle of political nondiscrimination. In 1958 the Chinese Communists, having previously withdrawn from the Australian games, withdrew also from the IOC because they decided they would no longer participate in organizations which permit participation by free Chinese.

It is evident that Communist pressures have

³ BULLETIN of Mar. 30, 1959, p. 427.

been directed to obtaining the expulsion of the Chinese Nationalists. We can assume this is a prelude to pressures directed to obtain the later readmission of the Chinese Communists. This is a political and discriminatory attitude which has no place in the world of sports.

Even more is involved in the IOC decision than a manifest injustice to a member which has throughout stanchly supported Olympic precepts. The maintenance of the respected character of the Olympic games is also at stake. It is their nonpolitical character which has been the basis for the special attitude toward the games of both peoples and governments.

We trust that the public and sports organizations, both here and abroad, will recognize the Communist threats for what they are and will insist on restoring both the athletes from the Republic of China and the Olympic principles to their deserved positions.

Indian Research Materials Arrive Under Wheat Exchange Program

The Department of State announced on June 4 (press release 392) the arrival of the first shipments of research materials on India available to American higher education, which will be enriched at the rate of 1,000 publications a month for the next 5 years under a cultural exchange program financed by the interest payments India has made on the 1951 U.S. wheat loan. Arrangements for the purchase of the research materials were made in India by Jennings Wood, chief of the Exchange and Gift Division of the Library of Congress, on behalf of the International Educational Exchange Service of the Department of State, which administers the India wheat exchange program with the cooperation of the U.S. Information Agency.

The use of the first \$5 million in interest paid to the United States by India on the wheat loan for cultural exchange purposes was authorized by Public Law 48, 82d Congress. In addition to the purchase of Indian research materials, the act also authorized a program to procure American research materials and equipment for use in Indian libraries and laboratories and an exchange-of-persons program, both of which have been in operation for several years.

The materials, all official publications of the Central and State Governments of India, will include works in the fields of bibliography and the social and physical sciences, as well as general Government publications. They will be housed at the Midwest Interlibrary Center at Chicago, the University of Pennsylvania at Philadelphia, and the University of California at Berkeley, where the many universities and research institutions served by the three centers will be able to obtain the publications through interlibrary loans.

Citizen Advisory Committee Named for Exhibition at Moscow

The White House announced on May 21, with the approval of the President, the appointment of 51 distinguished leaders in the fields of industry, science, education, and the arts to serve as a citizen advisory committee for the American National Exhibition to be held at Moscow this summer.¹

The Exhibition will be held in accordance with an agreement signed September 10, 1958, between the United States and the Soviet Union which provides, reciprocally, for exhibits to be held in Moscow and New York during the summer of 1959 "devoted to the demonstration of the development of science, technology, and culture."²

U.S. Diplomats in Africa Hold Regional Conference

The Department of State announced on June 4 (press release 390) that Assistant Secretary for African Affairs Joseph C. Satterthwaite had left Washington that day for a regional conference of principal American diplomatic and consular officers to be held at Lourenço Marques, Mozambique, June 9-11. Mr. Satterthwaite, who will preside at the conference, was accompanied by Waldemar J. Gallman, Director General of the

¹ For names and addresses of the members of the advisory committee, see White House press release dated May 21.

² For text, see BULLETIN of Oct. 13, 1958, p. 577; for text of an agreement of Dec. 29, 1958, relating to the exchange of exhibitions, see *ibid.*, Jan. 26, 1959, p. 132.

Foreign Service, and C. Vaughan Ferguson, Jr., Director of the Office of Middle and Southern African Affairs.

Several ambassadors, consuls general, and consuls from American Foreign Service posts in East, Central, and South Africa will participate in the meeting, which will be similar in nature to those held from time to time in various parts of the world. Representatives of some other departments and agencies of the U.S. Government will also attend the conference, as well as officers from the American Embassies at London, Brussels, and Lisbon.

President of Guinea To Visit U.S.

White House press release dated June 4

The President announced on June 4 that President Sekou Touré of the Republic of Guinea has accepted his invitation to visit the United States officially. President Touré will arrive at Washington on October 26 for a 3-day visit which will include meetings with President Eisenhower and other high officials of the U.S. Government. President Touré will stay at the President's Guest House.

Following his Washington visit, President Touré will visit other parts of the United States.

Contracting Parties to GATT Conclude 14th Session

The 14th session of the Contracting Parties to the General Agreement on Tariffs and Trade met at Geneva May 11-30. Following is a report by the U.S. delegation, together with an announcement released by the GATT secretariat at Geneva on May 25 concerning a round of tariff negotiations to begin in September 1960.

REPORT OF U.S. DELEGATION¹

Press release 380 dated June 1

The 14th session of the Contracting Parties to the General Agreement on Tariffs and Trade

¹For an announcement of the U.S. delegation, see BULLETIN of May 25, 1959, p. 765.

(GATT), which closed May 30, made important advances toward reducing barriers to world trade.

As was announced on May 25 the Contracting Parties decided at this session to convene a tariff conference commencing in September 1960. The scope of this conference will cover four categories of negotiations:

1. Negotiations among Contracting Parties for new concessions, as proposed by the representative of the United States at the 13th session;²
2. Renegotiations with member states of the European Economic Community, pursuant to article XXIV: 6;
3. Any renegotiations of concessions in the existing schedules which governments intend to undertake before the end of the current 3-year period of firm validity;
4. Negotiations with countries wishing to accede to the GATT.

Other major work of this session dealt with the removal of governmental restrictions other than tariffs. Such restrictions, largely quantitative controls over imports, have been a major obstacle to world trade in the post war period.

A highlight of the session was the decision reached on the important question of German import restrictions. Two years ago it was determined that Germany was no longer in balance-of-payments difficulties and, consequently, was no longer entitled under the General Agreement to restrict its imports on that ground. Since that time the GATT has provided a mechanism through which a solution acceptable both to Germany and her trading partners has been sought.

Under the terms of the decision, Germany has agreed to remove all nontariff restrictions on a wide variety of goods. Detailed information on this subject will be available in the near future. Some of these goods will be freed from controls as of July 1 of this year; other moves will be taken in stages during the 3-year period of the decision. For the goods still subject to licensing, mainly those covered by the agricultural marketing laws, Germany will endeavor to increase the opportunities for the sale of imports without regard to country of origin.

The decision represents desirable progress in

²For a report on the proceedings at the 13th session, see *ibid.*, Dec. 8, 1958, p. 930; for a statement by Under Secretary Dillon, see *ibid.*, Nov. 10, 1958, p. 742.

eliminating government restrictions to trade. It will permit German consumers to purchase in the cheapest markets at home and abroad. But, in permitting this to be done gradually, the decision also recognizes that Germany needs time in which to terminate all the restrictions which have been applied since the war.

The 14th session was the first meeting of the Contracting Parties since the convertibility measures taken by certain countries at the end of last year. The U.S. delegation took this occasion to express its views on the significance of convertibility in the field of trade policy. In a comprehensive statement the U.S. delegation pointed out that the broad establishment of external convertibility generally removed the substantive distinction that had existed for two decades between the currencies of dollar countries and the currencies of others.

The chairman of the U.S. delegation stated that "the convertibility measures have created a new setting for commercial policy. As inconvertibility has given way to convertibility, so discrimination and bilateralism should now give way to nondiscrimination and multilateralism." He emphasized that "all countries, whether or not their currencies have been made convertible, are affected by the new convertibility situation: some because payments in their own currency are on a convertible basis; others because their foreign exchange income and payments are made in the form of the convertible currencies of other countries."

The U.S. statement discussed the interests of the United States in the removal of discriminatory restrictions against its exports; it discussed also the interests of other countries in the removal of discrimination and in the general relaxation of governmental controls. There was a generally favorable response to the U.S. statement. It was discussed in the plenary session, as well as in the various working parties. Shortly before the end of the session the United Kingdom, which had consulted on its balance-of-payments restrictions, announced another major move in removing discriminatory restrictions against dollar goods.³ The wide range of consumer goods and foodstuffs covered by these liberalization measures will bring the treatment accorded U.S. imports sub-

stantially closer to the degree of freedom enjoyed by European exports in the British market.

Another major accomplishment of the 14th session was the association of two additional countries with the Contracting Parties. The steady accretion of countries participating in the GATT is a sign of its vitality and usefulness. Israel's provisional accession was approved with full accession to take place upon the successful completion of tariff negotiations between Israel and the Contracting Parties in the course of the general round of tariff negotiations set for 1960. Limited participation by Yugoslavia in the GATT was also approved by the Contracting Parties. In addition Poland's application for association with the Contracting Parties was received and will be given careful study by a working party.

In addition to these major problems a large number of other important subjects were treated at the session. The Contracting Parties adopted a recommendation recognizing the desirability of avoiding restrictions on the purchase of transport insurance. Recommendations on antidumping matters, subsidies, and state-trading were considered and accepted. Requests of countries to alter their tariffs were heard and after careful consideration were approved with provisions limiting the adverse effects on other countries. Advances were made in the work of committees established during the last session to study ways of expanding trade in agricultural commodities and to consider other measures for the expansion of trade of the less developed countries. A number of complaints by governments against specific actions taken by other governments were considered and most were settled amicably.

The Contracting Parties also heard reports on the consultations held with the EEC regarding trade problems which might arise from the operation of the Rome Treaty. While restating support for the successful development of the Community, the U.S. representative strongly protested the proposed common external duty of 30 percent, ad valorem, on tobacco as being too high.

The chairman of the U.S. delegation was W. T. M. Beale, Deputy Assistant Secretary for Economic Affairs, Department of State. Bradley Fisk, Deputy Assistant Secretary for International Affairs, Department of Commerce, was the vice chairman. Alfred Reifman of the Office of International Trade, Department of State, was

³ *Ibid.*, June 15, 1959, p. 882.

alternate vice chairman. Other members of the U.S. delegation were from the Departments of State, Treasury, Defense, Interior, Agriculture, Commerce, and Labor and the White House.

ANNOUNCEMENT OF NEGOTIATIONS

Press release 359 dated May 25

At the Thirteenth Session in November 1958 the Contracting Parties to the General Agreement on Tariffs and Trade established a coordinated program of action directed towards the further expansion of international trade and established three committees to carry out the program. The first of these committees (Committee I) had the task of examining the possibility of arranging for a further general round of multilateral tariff negotiations within the framework of the GATT. Earlier in the Thirteenth Session the United States delegate had stated that the United States was prepared to participate in a further general round of tariff negotiations including tariff negotiations with the European Economic Community.

Committee I met in February and again in May 1959 and has made recommendations on the basis of which the Contracting Parties have decided to convene a tariff conference, commencing in September 1960. The scope of this conference will cover four categories of negotiations:

(1) Negotiations among contracting parties for new concessions, as proposed by the representative of the United States at the Thirteenth Session;

(2) Re-negotiations with member states of the European Economic Community, pursuant to Article XXIV:6;

(3) Any re-negotiations of concessions in the existing schedules which governments intend to undertake before the end of the current three year period of firm validity;

(4) Negotiations with countries wishing to accede to the GATT.

The Contracting Parties have decided that the conference shall be held in two phases. The first phase, up to the end of 1960, will be concerned with re-negotiations with the European Economic Community, and with any re-negotiations of existing concessions (items (2) and (3) above). The second phase, opening at the beginning of January 1961, will be concerned with negotiations for

new concessions and negotiations with countries wishing to accede to GATT.

The Contracting Parties have also decided to set up, at the appropriate time, and in accordance with past practice, a tariff negotiations committee to follow the course of the negotiations and review their progress from time to time.

In determining the time table outlined above, Committee I took into account the fact that the powers of the President of the United States enabling that country to participate in tariff negotiations (under the Trade Agreements Extension Act of 1958) will expire on 30 June 1962. The Committee also noted that, in accordance with the provisions of the Rome Treaty, the members of the European Economic Community will start adapting their tariffs to the new common tariff on 1 January 1962, which makes it desirable that the re-negotiations contemplated in Article XXIV:6 and, for that matter, the negotiations conducted by the European Economic Community for new concessions, be concluded before that date.

Bailey Bridge Sent to Uruguay in Flood Relief Program

Press release 361 dated May 26

The Department of State announced on May 26 that the United States is sending a Bailey bridge to Uruguay to replace the vital railroad bridge over the Queguay River north of Paysandú, Uruguay, which was washed out by recent floods in that country. The 660-foot structure, valued at \$122,000, is being made available on a grant basis by the International Cooperation Administration as a further measure by the United States to provide emergency flood relief to Uruguay.

The Bailey bridge will be used for approximately 1½ years while a permanent bridge over the Queguay River is being reconstructed. The temporary installation will reopen the only rail line to the hardest hit northwest area of Uruguay, which contains the cities of Salto, Bella Union, and Artigas, as well as important agricultural lands.

To assist in the erection of the Bailey bridge structure the U.S. Army has agreed that it will send, if desired, a four-man team of U.S. Army

engineers for a period of 4 to 6 weeks. It is expected that the bridge will be shipped from the Port of New York on the Uruguayan ship *Punta del Este* about June 1.

Previous emergency flood relief measures by the U.S. Government included sending to Montevideo the Navy icebreaker, the U.S.S. *Edisto*, whose helicopters performed valuable rescue operations, the shipment of emergency supplies of medicines and rations, and the provision of surplus milk and rice under title II of Public Law 480.

Development Loans

Ethiopia

The Department of State announced on June 5 that the Development Loan Fund had approved a loan of up to \$500,000 to help the Sviluppo Agricolo Industriale Dell'Eritrea (SAIDE), an Ethiopian firm, to establish a weaving mill near Asmara. For details, see Department of State press release 394 dated June 5.

Guatemala

The Department of State on June 3 announced the signing of an agreement at Washington, D.C., on that date whereby the Development Loan Fund will lend Productos de Kenaf (PROKESA), a private corporation in Guatemala, \$400,000 to assist in establishing a factory at Escuintla in southern Guatemala to manufacture bags out of kenaf, a soft-base fiber similar to jute. For details, see Department of State press release 386 dated June 3.

Haiti

The United States and Haiti signed an agreement at Washington, D.C., on May 28 whereby the Development Loan Fund will lend \$4.3 million to complete an 80,000-acre irrigation project in the Artibonite Valley of Haiti. For details, see Department of State press release 371 dated May 28.

Jordan

The Department of State announced on June 5 the signing of an agreement at Washington, D.C., on that date by which the Development Loan Fund will lend the Transjordan Electric Power Co. \$1.2 million to expand and renovate its electric power system at Amman, Jordan. For details, see Department of State press release 396 dated June 5.

Korea

The United States and the Republic of Korea signed an agreement at Washington, D.C., on May 26 whereby the Development Loan Fund will lend \$1.5 million to the Korea Electric Power Co. for engineering and design work in connection with a proposed hydroelectric project at Chung Ju, Korea. For details, see Department of State press release 365 dated May 26.

Spain

The Department of State on June 4 announced the signing at Madrid on that date of two loan agreements by which the Development Loan Fund will lend a total of \$22,600,000 to agencies of the Spanish Government for developmental projects. One loan provides \$7.7 million to the Instituto Nacional de Colonizacion (INC) for the purchase of earthmoving and related equipment for a land development project in northeastern Spain near Zaragoza. The other provides \$14.9 million to the Red Nacional de los Ferrocarriles Españoles (RENFE) to help improve four important railway lines. For details, see Department of State press release 393 dated June 4.

Tunisia

The United States and the Government of Tunisia signed an agreement at Washington, D.C., on May 27 whereby the U.S. Development Loan Fund will lend the Tunisian National Railways \$2.4 million to help purchase diesel-powered and trailer passenger coaches and maintenance-shop equipment. For details, see Department of State press release 368 dated May 27.

The News Division of the Department of State

by Lincoln White

The State Department is essentially the research arm of the President in making recommendations for his consideration of policies designed to serve the best interests of the United States in its foreign relations and in suggesting practical programs to implement these policies—in short, programs of action to achieve our international objectives.

Obviously the value of these recommendations will depend greatly upon the capability of the personnel all down the line who are involved in their formulation. But even if the State Department were populated by the best brains ever assembled under one roof and their policy recommendations and implementing programs were the most brilliant ever set to paper, they would be of little use unless we make certain that two very important things happen:

1. that these policies, the need for them, their objectives, and their consequences, are understood by the American people generally, and
2. that such understanding leads to acceptance and support of our policies by the American people and thus by the Congress.

It need hardly be stressed that such support is vital, for virtually every policy decision must be implemented through programs calling for the expenditure of funds or authorizations by the Congress to take specific actions.

Reaching the Public

How then does the Department achieve this understanding on the part of the American people and, through understanding, earn their support?

Obviously there are not enough people in the State Department or the White House to go everywhere throughout the country explaining what

these policies are and how they must be implemented.

Officials of the Department and the White House do indeed go about the country to some extent to meet with various groups for this specific purpose. And to this same end the Department regularly publishes a number of pamphlets, periodicals, and other documents which cover a wide range of information concerning our foreign policy.

Nevertheless it must be recognized that, although our speakers may be influential locally and our publications may have a ready audience, the total information effort is relatively small when compared with the massive job to be done—to get the story to the great mass of the American people.

Without question the media of press, radio, TV, and the news photographic agencies are the best means of reaching the widest possible number of people.

It has been the policy of each Secretary of State under whom I have been honored to serve, going back to Cordell Hull, that, not only are the American people entitled to know the facts—within the limits of essential and legitimate security requirements—but it is essential that they have an understanding of the alternatives that face this Nation in the continuing struggle between those who would be free and those who seek to enslave. They

• "Linc" White has been a press officer in the Department of State since 1939, serving under seven Secretaries of State. He has been Chief of the News Division since July 1957.

must know and understand these alternatives if they are to make sound judgments in supporting Government objectives and the sacrifice in taxes, or, if need be, in life itself, that these decisions might entail.

For there is not only a right to know—there is an obligation on the part of the good citizen to seek out the facts upon which to make sound judgments.

Basic Task of the News Division

The News Division operates, therefore, on the philosophy that the sole justification for its existence is the help it provides the reporter in every way it can:

1. to know what the Department is doing,
2. to know why it is doing it, and
3. to know why it is not doing something else—that is, why a particular course of action has been selected over some alternative course.

Let me make clear that we do *not* regard ourselves as salesmen of any product other than the facts. Our job is to make the facts available, to the best of our ability, in order that the reporter may objectively interpret for himself what we are doing and why we are doing it, whether he agrees with us or not.

That is the philosophy of our job.

Now how do we go about doing that job?

Anticipating Questions

The most productive source of news at the Department is the weekly news conference of the Secretary of State. This conference, when the Secretary is in town, is held on Tuesday morning at 11 o'clock.

No man, however brilliant or farseeing, can keep in his mind all the details of all the myriad developments throughout the world with which the Department is concerned. That is asking too much of any man. But each Secretary of State wants to be as responsive and as helpful as he possibly can in answering reporters' questions—whatever the subject.

What we do, therefore, the first thing each Monday morning is to attempt to put ourselves in the reporter's place and to anticipate what questions are going to be asked of the Secretary next morning. We don't want to burden him with

trivialities. But we have to look for the "sleepers"—questions dealing with limited or highly specialized aspects of policy which might be prompted by press interest in some last-minute development.

We draw up, therefore, a list of some 15 to 20 questions we think may be asked by the reporters. We graduate these in relative importance—3 to 5 major topics, depending on developments, and 10 to 15 of secondary interest, on a geographical or functional basis.

For example, in April a major topic was the Paris meeting of the Foreign Ministers to put the finishing touches on the Western proposals and strategy to be adopted for the subsequent Geneva meeting in May.

An example of another subject of great importance and of considerable interest in April might be the positions the United States was to put forward at the meeting of the Committee of 21 at Buenos Aires on April 27 to carry forward the work that had been going on in the Organization of American States here in Washington over the past few months in developing new measures designed to contribute to strengthening economic development in the American Republics.¹

Briefing Papers

The questions are then passed on to the geographic and functional areas of the Department for recommendations or briefing papers for the Secretary. Our instructions are that these be as clear, as simple, and as concise as they can be made.

On the anticipated "sleepers" we ask that, in addition to the basic policy facts, the full background of the development be set forth on an accompanying sheet. The reason for this is that the Secretary, preoccupied as he is with the major policy matters, may need more briefing on matters with which he has not been personally concerned—for example, some trade development, which is just as important to the trade-paper reporter as a Foreign Ministers meeting is to the correspondent reporting on foreign affairs.

These requested briefing papers come to my office at about 6 or 7 p.m. on Monday. They are

¹ For a statement made by Assistant Secretary Mann at the Buenos Aires meeting, see p. 931.



"Linc" White, Chief of the News Division, holds his noon briefing for news correspondents.

put in a briefing book and taken up to the Secretary before he leaves the office. If he does not have to attend some official social function that evening, he studies these papers at home and decides how he will reply to the questions at the news conference in the morning.

There may be some particular subject that he will wish to speak to without waiting for questions. He generally sketches out such a statement at home and works on it further at the office next morning.

The Secretary's News Conference

At 10 a.m. on Tuesday I accompany the Assistant Secretary for Public Affairs, Andrew Berding, to the Secretary's office, where we spend an hour with him discussing overnight develop-

ments. The Secretary, in turn, may wish some additional information on this or that subject. He generally calls in several Assistant Secretaries and discusses with them treatment of subjects which may be particularly delicate in a given area.

Then at 11 a.m. he goes down to the auditorium on the second floor of the State Department and the news conference begins.

There are some 1,400 reporters in Washington covering for U.S. and foreign wire services, newspapers, networks, and news magazines. Obviously not all of these closely follow foreign affairs, but about 100-150 regularly attend the Secretary's news conferences.

The questions they pose are global and cover a wide variety of topics.

The news conference generally lasts about 40

minutes. It is filmed by the TV networks and tape-recorded for radio.

The Transcript

The ground rules of the Secretary's news conference are that, while no holds are barred in questioning, the Secretary may not be quoted directly until the official transcript has been released.

It is important, therefore, that the transcript be released as soon as possible. Until then the afternoon papers and the wire services carry what the Secretary says in the third person. In other words, they report the substance of what the Secretary said but may not quote him directly.

In order to speed the release of the transcript it is generally taken down by four stenotypists who are experienced in this work. The first leaves after 10 minutes, the second after 20, and so on. In addition, the conference is tape-recorded to insure the accuracy of the transcript.

By the time the conference is over, the Secretary has on his desk the first "takes." We feed these page by page to him as rapidly as they come out of the typewriters.

Since all of us have human frailties, mistakes are bound to be made—typographical mistakes, the recollection of the Secretary of the precise date of a given conference, the precise wording of a given agreement or communique. Therefore, while the Secretary himself is going over the transcript, Mr. Berding and I are doing the same thing—checking on the unsure date, the wording of the agreement or communique, and typographical errors, or getting a further clarification of a response that in black type is not as clear to the reader as it sounded extemporaneously in the news conference.

In other words the Secretary reserves the right to correct the transcript for clarity, but this is in the nature of editorial correction rather than change in substance. Where any change of substance is made—due to an error on the part of the Secretary—this is indicated in the transcript within brackets.

As soon as these corrections are completed, stencils are cut and the transcript is run off. In order to save time we release it in page takes as they come off the mimeograph machines, rather than wait for the completed, assembled job.

As soon as the reporters have the completed transcript, the networks are given the green light to use all or such portions as they choose of the filmed and taped news conference itself for TV and radio news shows.

Daily News Briefing

So much for the most productive source of news at the Department. But, as we all know, foreign affairs developments are constantly occurring in the period between the Secretary's news conferences. So every day, excluding some Saturdays, most Sundays, and, of course, Tuesdays when the Secretary holds his news conference, I meet with the reporters for a briefing at 12:15 p.m. This is the best compromise we have been able to evolve between the competing requirements of morning and afternoon papers.

The preparations for these sessions are, on a much smaller scale, the same as those for the Secretary's news conferences.

Three Department officers arrive at the Department at 7 o'clock in the morning. They look through the *New York Times*, the *New York Herald-Tribune*, the *Baltimore Sun*, and the *Washington Post and Times-Herald* and cull stories of particular interest to the Department. These are boiled down to thumbnail size on several typewritten pages and are on the desks of the Secretary and the Under Secretary at 8:45. In about 5 minutes' reading one gets a pretty good idea of overnight global developments. We indicate the newspaper, the page, and the column, in case the reader wants to see the full story.

This news précis is also on Mr. Berding's desk and on my own, and in a few minutes I have a fair notion of what questions I can expect at the noon briefing.

Staff Work

Our staff is organized on a geographic and functional basis, one man being assigned to cover European developments, another Latin America, a third the Middle East, a fourth the Far East, and so on. These officers help me to prepare for the noon briefing. For example, the officer assigned to Europe discusses with various people in our European Affairs office any given development concerning that area on which I am likely

to be questioned. The officers with the responsibility for Latin America, the Middle East, economic affairs, etc., do the same thing.

Similarly, my principal assistants, Joseph Reap and Francis Tully, and I tackle the major questions that are global rather than restricted to a particular area. After dividing these among ourselves we all go our separate ways to confer with the appropriate Department officials involved in order to inform ourselves as fully as possible on the latest developments. The probing questions of our well-informed press make it necessary that we do our homework thoroughly.

Then there are always the "handouts"—announcements such as speeches, texts of notes, agreements, and itineraries of visiting dignitaries. These meanwhile are being mimeographed and scheduled for release at a time when the greatest number of reporters are at the Department.

Hopefully, by noon I am prepared with the material I need for anticipated questions. I then go over this material with Assistant Secretary Berding. There may be an item or two of such importance that we need to consult the Secretary or Under Secretary.

Meeting With the Press

Then I meet with the reporters. There are about 20 who cover the Department exclusively. They have their own booths in the press room and spend the day and early evening with us at the Department.

There are some 20 to 30 others—from smaller bureaus, which can't afford the luxury of a special State Department correspondent but which closely follow foreign policy developments—who come to the Department for the daily "briefer."

On some days we have a considerable volume of news; on others we have very little. But, much or little, the proceedings are generally enlivened by the deft, humorous question and the swaying tightrope answer, the good-natured legpulling, and more often than not the righteous gripe about the simultaneous release prematurely broken from abroad.

The balance of the day is filled with discussions with individual reporters developing individual stories. There is the job of seeing that the reporter is directed to the expert on a given subject,

for the best we can do is to hit the highlights and let the experts fill in all the technical details.

We generally wind up the day—or, as we say, "put the lid on"—around 6 p.m. Then, just as I sit down to dinner at 8 at home, the phone rings and the process starts all over again.

But this is the nature of the job, and news is no respecter of official office hours.

A foreign affairs development can break and does at 2 a.m. our time just as frequently as it does at noon our time. And if it is important that the American public know our position at noon, it is just as important that they know our position on a development that comes at 2 a.m.

The trick, of course, is to lay hands on and shake the sleep from the minds of the five or more Department officers that I, in turn, have to call to get the answer to the question that routed me out of bed at 2 a.m. But that is part of their job, too, and not the least of the inconveniences they willingly accept in undertaking the vital responsibilities of working for America's security and welfare.

The Citizen's Responsibility

And yet their work, I have tried to emphasize, can come to naught unless it is understood by their fellow Americans.

For we all know that these are trying days when the stakes for the future of our very way of life are high. It is no time for faint hearts. It is a time for steady nerves and quiet yet iron determination—

. . . determination that each of us, in his own way and to the best of his ability, will pitch in to assure that, in the continuing struggle with forces that would destroy our way of life, threat, subversion, and coercion shall not prevail;

. . . determination that aggression—direct or indirect—and the use of naked force to achieve political ends in this troubled world will prove more costly than peaceful and reasoned negotiation;

. . . determination that the world we know and that our children and grandchildren will know will be a better place in which to live;

. . . determination that, so long as this struggle continues, we will all accept our responsibilities as citizens to keep ourselves informed on the forces of good and of evil that abound in the world.

President Comments on DLF Proposals by Senator Fulbright

Following is an exchange of correspondence between President Eisenhower and Senator J. William Fulbright, chairman of the Senate Committee on Foreign Relations.

The President to Senator Fulbright

JUNE 4, 1959

DEAR SENATOR FULBRIGHT: Your letter of May 25, 1959, outlining proposed amendments to the Mutual Security Act of 1959 relating to the Development Loan Fund, has been carefully analyzed in the Executive Branch.

As my earlier recommendations and more recent public statements have indicated, I have always thought, as you do, that it is desirable to put the Development Loan Fund on a long-term basis in order to insure the best planning and utilization of economic assistance through this program. However, before commenting on your specific amendments, it seems appropriate to review the recent history of U.S.-aided means of capital development.

In my Mutual Security Message transmitted to the Congress on May 21, 1957,¹ I requested that the Congress establish a Development Loan Fund "to finance specific projects and programs which give promise of contributing to sound development . . . of long-term benefit to the borrowing country." I noted that "such loans should not compete with or replace such existing sources of credit as private investors, the International Bank, or the Export-Import Bank." Since this request a number of significant developments have occurred.

In 1958 the resources available to the Export-Import Bank were increased by \$2 billion. This assured a continuity of activity and made avail-

able funds for a high level of operation by this important lending institution.

There is now before the Congress a proposal to provide an additional U.S. subscription of \$3.175 billion in guarantee authority to the authorized capital of the International Bank for Reconstruction and Development, as our share of a 100 percent increase in the Bank's authorized capital.² If approved by the Congress this will enable the International Bank to raise through sales of its bonds to private investors, the funds required if it is to continue its operations in the field of development financing at a rate which is constantly growing, and now exceeds \$700 million per year. The Bank has not called upon the United States Government for any cash outlay since the initial capital subscription was completed in 1947.

We have recently requested Congress to authorize U.S. membership in the Inter-American Bank which will have total resources of \$1 billion, of which the U.S. would subscribe \$450,000,000, with \$200,000,000 of this being in the form of guarantees.³ There also is pending before the Congress an increase of 50 per cent in the resources available to the International Monetary Fund, which provides short term financing for countries with temporary balance of payments problems and endeavors to help these countries correct the financial policies that have led to their exchange difficulties.

In addition we are actively consulting with other countries looking toward the establishment of an International Development Association which will provide a continuing organization for development financing on a multilateral basis. In this institution the cost of financing will be shared with other industrial nations on a continuing basis.

In combination with the Development Loan Fund, these lending activities provide a formi-

¹ For text, see BULLETIN of June 10, 1957, p. 920.

² For background, see *ibid.*, Mar. 30, 1959, p. 445.

³ See p. 928.

dable array of resources to assist in the development of the free world.

Your proposed amendments to the Mutual Security Act of 1959 would make available to the Development Loan Fund, commencing in fiscal 1960, not to exceed \$1.5 billion per year for five years by a public debt transaction.

I have asked Congress for an authorization and appropriation of \$700 million for the Development Loan Fund in fiscal 1960.⁴ In my opinion a sum of this general magnitude is adequate to carry forth this vital part of our international program for the next year. Establishing a figure approximately double this amount for fiscal 1960 seems unwise, and I would hope that in succeeding years the rapid advance in the economic and financial strength of other industrial countries, particularly in Europe, will lead them to conclude that it is in their interest and in that of the free world to provide a growing volume of financing for the less-developed areas. I would be most reluctant to predicate our action now on an assumption that this would not occur.

In my Budget Message this year,⁵ because of the growing tendency to bypass the appropriations procedure, I said, "I sincerely hope that the Congress will again consider ways by which it can more effectively overcome . . . the provision of new obligational authority outside of the appropriations process. . . ." This is now established Administration policy, and recommendations of previous years for spending from debt receipts that were made while such policy was being formulated must yield to it. Accordingly I do not look with favor upon the provisions of your amendments which authorize the Development Loan Fund to borrow from the Treasury.

I believe our common objective can best be accomplished through a long-term authorization of appropriations in reasonable amounts, together with the concurrent enactment in one appropriation bill of appropriations for each of the years for which the program is authorized—a specified appropriation for each year, each appropriation to remain available until expended.

While this procedure would not provide the full measure of flexibility now given the Export-Import Bank and the International Bank, it must be remembered that the purpose of the Development

Loan Fund as described in its basic statute is to make loans only when other sources of private and public capital are not available. Many of its loans are repayable in the currency of the borrower. As a consequence, this fund cannot "revolve" in the same manner as do those of other lending institutions. However, a multiple-year authorization and appropriation should enable the Development Loan Fund to put its operations on a satisfactory long-term basis, the goal we both are seeking.

I appreciate your sincere interest in this vital program. With a mutual objective, we should be able to develop acceptable programs to aid and develop the free nations of the world.

Sincerely,

DWIGHT D. EISENHOWER

The Honorable J. WILLIAM FULBRIGHT
United States Senate
Washington, D.C.

Senator Fulbright to the President

MAY 25, 1959

DEAR MR. PRESIDENT: Several weeks ago I introduced amendments to the Mutual Security Act of 1959 relating to the Development Loan Fund. Those amendments would, if approved, make available to the Fund not to exceed \$1.5 billion per year for five years by a public debt transaction—the same technique you proposed two years ago, and which was approved by the Senate, but rejected by the House of Representatives.

My purpose in proposing these amendments is to get the Development Loan Fund on the same basis as the Export-Import Bank and the International Bank, so that our loans could be carefully planned and thus assure not only the successful achievement of the aims of such loans, but their repayment. The purpose of these amendments has received wide public support throughout our hearings, and has received bipartisan support within the Committee.

It is my understanding of statements made during a recent press conference that you support, in principle at least, the purpose of these amendments. In testimony today before the Committee on Foreign Relations, however, Acting Secretary of State Dillon indicated that the Department of State does not "feel it appropriate to advance a recommendation of our own for longer-term capitalization this year. . . ." He also indicated that, despite the fact that two years ago you proposed a public-debt transaction as an effective procedure for long-term planning, the "fiscal agencies of the Executive Branch have since generally gone on record in favor of financing operations such as this through the appropriations process".

It is the view of a number of the members of the

⁴ BULLETIN of Mar. 30, 1959, p. 427.

⁵ For excerpts, see *ibid.*, Feb. 9, 1959, p. 198.

Committee that annual appropriations do not provide a sound basis for planning a banking-type loan fund.

I am frank to state, Mr. President, that I see little likelihood of acceptance by the Congress of these amendments to put the Development Loan Fund on a long-term basis with assured financing in adequate amounts unless you and your Administration give them your full, unqualified support.

The Committee on Foreign Relations will begin its consideration of the Mutual Security Act next Monday, June 1. Speaking not only for myself, but for a number of other members of the Committee on both sides of the aisle, and without any partisan motivation, I hope you can give these amendments your support.

Respectfully yours,

J. W. FULBRIGHT
Chairman

THE PRESIDENT
The White House

Department Urges U.S. Participation in Inter-American Bank

Statement by Acting Secretary Dillon¹

I am very pleased to appear before this committee in support of United States participation in the Inter-American Bank.

Secretary Anderson has given you a very comprehensive picture of the Bank's proposed operations, as well as details of its charter. I shall direct my remarks to the important contributions which the new institution can make to the economic growth of the Western Hemisphere and to our relations with the peoples and governments of Latin America.

We are all sympathetically aware of the intense desire for higher standards of living in the underdeveloped areas of the world, whose governments are under relentless pressure from their peoples to promote economic development. These demands for material progress are no less strong in the long-independent nations of Latin America than they are in the newly independent countries of Asia and Africa. And in Latin America, as in other less developed areas, we have a national interest in seeing this urgently desired growth achieved in an environment of freedom.

¹ Made before a subcommittee of the House Banking and Currency Committee on June 4 (press release 391). For text of the President's message to Congress recommending membership in the Inter-American Development Bank, see BULLETIN of June 8, 1959, p. 849.

While it is true that Latin America possesses in varying degrees the human and material resources essential to development, no single country has them in sufficient degree to realize its potential for growth without outside help. Both external capital and technical assistance are needed if our sister republics to the south are to make genuine progress toward establishing viable economies under stable, free institutions.

The Inter-American Bank should provide great impetus in helping them to make that progress. For the Bank is uniquely tailored to meet the needs of Latin America. It is different from any other institution in which this country now participates.

Perhaps the Bank's most striking feature is that it is more than a financing institution. It is truly a development institution. For it will provide technical assistance to participating countries to insure that proposed projects are properly engineered and designed in relation to the overall development needs of the country concerned.

In this connection I think it important to recall that the Inter-American Development Bank represents the culmination and fulfillment of desires expressed by the countries of Latin America for more than 60 years. The other American Republics have long felt that an inter-American institution was required if Latin American problems and needs were to be given fully adequate consideration.

Many people in Latin America have felt for some time that we have taken them for granted in relation to Europe. Many also fear that higher priority will be given to the needs of the newly emerging countries of Asia and Africa, which are comparatively less developed. They consider that an inter-American bank, to which they themselves contribute, will give them a greater voice in policy and in the allocation of available funds. They look to the Bank as a source of needed additional capital, which is especially important now that they have reached a stage of development where they can usefully absorb larger sums.

We believe it is in our national interest to support the Latin American desire for this organization. The Inter-American Development Bank will be a further and logical expression of the special system of relationship in this hemisphere which is reflected in the Organization of Amer-

ican States. Since the early days of our country we have come to recognize that our ties and common interests with Latin America are of unique importance in United States foreign policy. Our membership in the new Inter-American Bank will be tangible recognition of this unique relationship in the field of our foreign financial policy. The Bank will be a concrete expression of the desire of all the peoples of the Americas to pursue sound economic policies which will make a maximum contribution to hemispheric development in an atmosphere of mutual trust and understanding.

The Bank will establish an assured source of funds wholly devoted to meeting Latin American requirements. Latin America will have a strong voice in its management and control and will be making a significant contribution to its capital resources. The success or failure of this institution rests to a considerable extent in their hands. And this is as it should be. Since a large part of the Bank's capital will be subscribed by the Latin American countries themselves, it is healthy that these countries should fully share the responsibility for setting the policies which will determine the allocation of resources and for establishing the criteria which will determine eligibility for loan assistance. Thus the Bank will help to introduce a force for stability in Latin American economic relationships.

Special Features of Inter-American Bank

I should like to call special attention to certain features of this institution which I think are particularly significant and which will enable the Bank to make a unique contribution.

Secretary Anderson has told you about the Fund for Special Operations. This Fund will, in effect, be one of the departments of the Bank. The term "Fund" has been used to emphasize the segregation of this segment of the Bank's operations from its ordinary operations so that there may be no confusion in the minds of prospective purchasers of bonds with respect to the possibility that their money will be used for "soft loan" operations. Such will not be the case. Money borrowed on capital markets will be used only for "ordinary operations," and in the Bank's ordinary operations the borrower will be obligated to repay in the currency borrowed.

However, through the Fund for Special Operations the Bank will be empowered to make loans

repayable in whole or in part in the currency of the borrower. Such loans will be limited to special circumstances where a country does not have sufficient debt-carrying capacity to justify payment in foreign exchange, or in the case of particular projects where it appears repayment in foreign exchange is not warranted. This provision for making special loans will give the Inter-American Bank a measure of flexibility not hitherto available to other international lending institutions. The potential beneficiaries of the Fund's operations will themselves be contributing to the initial resources of the Fund and will share with us the responsibility of determining where the resources shall be expended. This feature will permit the Inter-American Bank to make a special contribution to the problems of financing economic development in Latin America.

One of the most important contributions of the Inter-American Development Bank will be in the field of technical assistance. It will undoubtedly help to train officials in the member countries in economic development planning and implementation. It will stimulate sounder overall development plans in individual countries. Most important, however, is its potential in connection with individual development projects. All too often we hear that existing institutions are not making enough loans in Latin America, while at the same time the institutions are saying that they would be glad to make additional loans if they had well-planned, properly engineered projects to consider. I hope that the Inter-American Bank will emphasize the preparation of well-designed, well-engineered projects which will merit the attention of existing lending institutions as well as the Bank itself.

Use of Other Lending Institutions

To help meet the expense of this work the Bank is authorized, during the first 3 years of its operations, to use up to 3 percent of the initial resources of the Fund.

However, the Latin American countries will continue to be completely free to seek the assistance of the Export-Import Bank when they have the capacity to repay in dollars and wish to procure goods in the United States. We expect the activities of the Export-Import Bank in Latin America will continue undiminished. Countries also, of course, will continue to be free to seek

financing from the International Bank for Reconstruction and Development. Thus we view these institutions as complementary and not competitive.

With respect to special loans, ordinarily we will expect the Latin American countries to go to the Bank for the financing of their projects before they come to the Development Loan Fund. This, of course, is in accordance with the criteria of the Development Loan Fund, which prohibit the Development Loan Fund from considering a loan proposal until it can be ascertained that financing is not available from other free-world sources.

It can be expected that, when the Inter-American Development Bank is unable to finance a particular project, it will give the member countries advice on how to present the proposal to other available lending institutions, both international and United States. This should lead to a better coordinated and more coherent approach by the Latin American countries to the financial resources available to them. The location of the Inter-American Development Bank in Washington will greatly facilitate coordination of its operations with those of other international and U.S. lending institutions.

In conclusion I should like to say that the establishment of this Bank will be a significant forward step in strengthening our economic relations with Latin America. Over the years the Organization of American States has been a significant bulwark for peace in this hemisphere. It is fitting now that we take this next logical step in cementing our economic relations with Latin America. Accordingly, the Department of State strongly supports the legislation now before you authorizing the United States to join the proposed Bank and make its required capital subscription.

Congressional Documents Relating to Foreign Policy

86th Congress, 1st Session

Facilitating the Admission Into the United States of Certain Aliens. Report to accompany H.J. Res. 323. H. Rept. 260. April 10, 1959. 62 pp.

Fourth NATO Parliamentarians Conference. Report of the U.S. House Delegation to the Paris Conference, November 15-21, 1958. H. Rept. 265. April 10, 1959. 15 pp.

International Medical Research: A Compilation of Background Materials. Report of the Senate Committee on

Government Operations and its Subcommittee on Reorganization and International Organizations. S. Rept. 160. April 10, 1959. 117 pp.

The Status of World Health, In Outline Text and Chart. Report of the Senate Committee on Government Operations and its Subcommittee on Reorganization and International Organizations. S. Rept. 161. April 10, 1959. 81 pp.

Coordination of Cultural Exchange Programs. Report to accompany S. 455. S. Rept. 188. April 15, 1959. 4 pp.

North Atlantic Treaty Parliamentary Conference for 1959 in Washington, D.C. Report to accompany H. Con. Res. 34. S. Rept. 189. April 15, 1959. 2 pp.

Nomination of Clare Boothe Luce. Hearing before the Senate Foreign Relations Committee on Mrs. Luce's nomination to be Ambassador to Brazil. April 15, 1959. 38 pp.

What Is Wrong With Our Foreign Policy. Hearing before the Senate Foreign Relations Committee. April 15, 1959. 26 pp.

Proposed Supplemental Appropriation—Department of State. Communication from President Eisenhower. S. Doc. 24. April 17, 1959. 2 pp.

Invitation to U.S. Congress To Participate in a Second Strasbourg Conference of the Council of Europe. Report to accompany S. Con. Res. 23. S. Rept. 205. April 17, 1959. 2 pp.

Suspension of Nuclear Weapons Tests. Report to accompany S. Res. 96. S. Rept. 206. April 17, 1959. 2 pp.

Prisoners of War in the Korean Hostilities. Report to accompany H.R. 4121. S. Rept. 211. April 20, 1959. 6 pp.

Amendment to the National Aeronautics and Space Act of 1958. Report to accompany H.R. 4913. S. Rept. 213. April 20, 1959. 6 pp.

Proposed Supplemental Appropriations for the National Aeronautics and Space Administration. Communication from President Eisenhower. H. Doc. 114. April 20, 1959. 2 pp.

Nomination of Christian A. Herter. Hearing before the Senate Foreign Relations Committee on Mr. Herter's nomination as Secretary of State. April 21, 1959. 14 pp.

Financing Congressional Participation in Meetings of the Canada-United States Interparliamentary Group. Report to accompany H.J. Res. 254. S. Rept. 217. April 22, 1959. 3 pp.

Treaty of Amity, Economic Relations, and Consular Rights With the Sultan of Muscat and Oman. Report to accompany Ex. A, 86th Cong., 1st sess. S. Ex. Rept. 1. April 22, 1959. 7 pp.

Trading With the Enemy Act. Report of the Senate Committee on the Judiciary made by its Subcommittee To Examine and Review the Administration of the Trading With the Enemy Act, pursuant to S. Res. 232, 85th Cong., 2d sess., as extended. S. Rept. 228. April 27, 1959. 10 pp.

Annual Report of the Saint Lawrence Seaway Development Corporation. H. Doc. 120. April 27, 1959. 48 pp.

Civil Defense in Western Europe and the Soviet Union. Fifth report by the Committee on Government Operations. H. Rept. 300. April 27, 1959. 109 pp.

Amendment to the Atomic Energy Act of 1954, as Amended. Report to accompany H.R. 5104. H. Rept. 327. April 29, 1959. 4 pp.

Amendment of Section 2734 of Title 10 of the United States Code so as To extend the Statute of Limitations as to Certain Foreign Claims. Report to accompany H.R. 2740. H. Rept. 325. April 29, 1959. 3 pp.

Attendance at Meeting of Commonwealth Parliamentary Association. Report to accompany S. Con. Res. 29 and S. Res. 114. S. Rept. 238. April 30, 1959. 2 pp.

Inter-American Cooperation for Economic Growth

*Statement by Thomas C. Mann
Assistant Secretary for Economic Affairs*¹

There have been many references made by the distinguished delegates who have preceded me to the aspiration of the people of Latin America for a better and fuller life. I can assure you that the people of the United States share this aspiration not only for themselves and their children but for all the peoples of the Western Hemisphere.

It is for this reason that the United States, when it was first consulted concerning Operation Pan America, expressed its enthusiastic support of the initiative of the distinguished President of Brazil, Dr. [Juscelino] Kubitschek. Since then the President of my country and many of its high officials have reiterated our concern with the problem of underdevelopment and our willingness to cooperate in sound measures to promote a more rapid economic growth throughout the hemisphere.²

U.S. Measures for Economic Development

Mr. Chairman, to avoid any lack of awareness which may exist as to the specific concrete measures recently taken by the United States within the spirit of Operation Pan America, I would like to list some of them:

First, the United States has given its full sup-

¹ Made on Apr. 30 before the Special Committee of the Council of the Organization of American States To Study the Formulation of New Measures for Economic Cooperation (Committee of 21), which held its second meeting at Buenos Aires, Argentina, Apr. 27-May 8. Mr. Mann was chief of the U.S. delegation. For announcement of the meeting, see BULLETIN of May 18, 1959, p. 728.

² For background, see *ibid.*, Apr. 6, 1959, p. 479.

port to the creation of the new Inter-American Development Bank.³ Representatives of all our countries have now signed the Final Act of the Specialized Committee which negotiated the charter, and the charter is in the hands of our respective governments for formal action. The Specialized Committee, which worked under the very able leadership of Dr. Mario Oscar Mendivil, deserves the gratitude of us all. The new Bank is designed to be an institution to which all the American Republics will contribute and in the direction of which all will share. The charter calls for the United States to subscribe a substantial part of the Bank's capital and contemplates United States support for the Bank's efforts to raise funds in private capital markets.

Second, the capital of the Export-Import Bank has recently been increased by \$2 billion. This Bank has traditionally given a major share of its attention to the development needs of the Latin American countries.

Third, we have recently proposed that the resources of the International Monetary Fund be substantially increased so that this institution can render more effective help to nations in balance-of-payments difficulties. We are seeking authority to subscribe an additional amount of approximately \$1.4 billion.⁴

Fourth, we have proposed that the International Bank be authorized to double its lending facilities. This will involve an increase in the contingent liability of the United States by more than \$3 billion to support the raising of capital

³ See p. 928.

⁴ For statements on the proposed legislation by Secretary of the Treasury Robert B. Anderson and Under Secretary of State Douglas Dillon, see BULLETIN of Mar. 30, 1959, p. 445.

in private markets in the United States and elsewhere.⁴

Fifth, the Congress of the United States has recently authorized the establishment of the Development Loan Fund, which has now completed its first year of actual operation. The Congress is now considering a supplemental appropriation request of \$225 million for this institution, and the administration has requested an additional appropriation of \$700 million for the fiscal year commencing in July 1959.⁵

Sixth, the United States is supporting current efforts on the part of Latin American governments to move toward common market arrangements which will permit the free flow of goods, labor, and persons so that goods may be produced for larger internal markets under more competitive and therefore more efficient conditions with the aim of lowering costs to the consumer.

Seventh, we have actively cooperated with the efforts of the coffee-producing nations to find sound and practicable ways of preventing severe fluctuations in international markets which would be damaging to the economies of so many countries. In the same spirit we have voluntarily withheld from the market large surpluses of certain commodities for which we have no current need. I am sure that those countries which have requested our cooperation in this field understand the importance to their economies of the continuation of this policy.

Eighth, in the field of international trade, we have acquiesced in the General Agreement on Tariffs and Trade to proposals of certain of our sister republics to increase restrictions on the importation of United States goods in order to protect their infant industries. In some cases these trade concessions were accepted notwithstanding the fact that the trade balance is heavily unfavorable to the United States.

Ninth, in recent months the United States economy, both through public and private channels, has made substantial loans to several of the American states and continues ready to help those which are making realistic efforts to deal with balance-of-payments problems, to control inflation, and hold down living costs.

⁴ For a statement by Under Secretary Dillon before the House Foreign Affairs Committee on Mar. 24, see *ibid.*, May 4, 1959, p. 638.

Tenth, in response to emergency situations in some of our sister republics we have made special loans and grants designed to alleviate hardships and to facilitate economic recovery.

Eleventh, we are continuing our bilateral technical assistance programs as well as our comparatively heavy contribution to similar programs of the United Nations and of the Pan American Union.

Twelfth, to facilitate the flow of private development capital to those countries desiring it, we have established an investment guarantee program. About half of the American Republics have taken advantage of this program by entering into agreements with us. We have also expressed our willingness to negotiate tax treaties, including a tax-sparing provision. Under this provision, as you know, arrangements would be worked out to permit the United States authorities to give foreign investors credit for income taxes temporarily waived or "spared" by other countries as an attraction to development investment. Against this substantial background of cooperation the United States has welcomed the opportunity to examine with all the other American Republics new measures of economic cooperation which might contribute to our common goal of expediting the economic development of this hemisphere.

Value of Inter-American Meetings

I wish here to pay special tribute to this Committee, to the working group, and to the secretariat for the 24 resolutions which are on our agenda for this meeting. Subject to minor revisions we support wholeheartedly these resolutions and are prepared to bear our customary share of an expanded budget for the Pan American Union to carry out the new high-priority tasks this Committee will assign to it.

I am not one of those, Mr. Chairman, who adopts a pessimistic attitude toward our problems. The meeting held here in 1957,⁶ for example, has not been credited with some of the accomplishments which we owe to it. One of the resolutions of that meeting nurtured the seed long ago planted for the Inter-American Development Bank, whose early creation we all desire and can

⁶ For background, see *ibid.*, Sept. 16, 1957, p. 463, and Sept. 30, 1957, p. 539.

now confidently foresee. In the time that has elapsed since the meeting much has been accomplished. The value of inter-American meetings lies not only in the resolutions that are adopted but in the exchange of views and ideas about our common problems. And more especially they can be of great significance if the representatives who participate in them return to their own countries with a better understanding not only of their own problems but of the problems of others. Out of reciprocal understanding and out of reciprocal respect can come cooperation which can best promote economic growth.

The United States wants to cooperate with its sister republics not because we fear the Soviet bloc but because our people genuinely wish to be full partners in building toward our common dream and ideal that America—all of America—should be a region of peace and progress.

When our Thirteen Colonies, small and poor, surrounded by enemies anxious to suffocate the revolutionary ideas of liberty and dignity of man, declared their independence, they did not do so in fear. Now, nearly 200 years later, we have even less reason to fear. We have an abiding faith in the dynamism of our way of life.

And so, Mr. Chairman, when our leaders speak to our people about the need for their continued sacrifice so that we can maintain and increase our cooperation with the free world, we are thinking in terms of interdependence rather than dependence of any one state on another. Our simple creed is that the nations of the free world all have more to gain by cooperation than by conflict; that as technological progress shrinks the size of the earth and as our economies and lives become more complex, all of us become increasingly dependent on all the others.

Need for Increased Effort

It is said, Mr. Chairman, that the need is great and the time is short; that greater efforts are needed if we are to live up to the expectations of our peoples. We agree.

The rate of economic growth in Latin America over the last decade has been about 4.5 percent per year in comparison with a growth rate in the United States of about 3.5 percent. By usual standards this would normally be regarded as satisfactory, if not spectacular. One has only to do

simple arithmetic to conclude that if the population were static it would take only a few years for average per capita income to increase to the point where every citizen could see and feel improvement.

The figures show, I believe, that at the turn of this century Latin America had a population of about 69 million people. Today it has tripled and stands at 185 millions. While demographic projections are notoriously inaccurate, if the present rate of population growth continues, the general magnitude of the development problem is evident.

The challenge of our times is to find better ways not only to improve living standards today but to create new jobs and new facilities for an ever-growing number of people. The constant search for new ideas, for new techniques, and for new ways should be, and I am sure is, the aim of every person at this conference table.

The United States has agreed in article 26 of the Bogotá charter [charter of the Organization of American States] to cooperate as far as its resources permit and its laws provide. I am confident that the people and Government of the United States will in the future, as they have in the past, do their full share.

But, in discussing what can reasonably be expected from the United States, it is fair and necessary for all of us to take into account the very heavy burden which the American taxpayer today bears in order to create a defensive shield for the United States and for the hemisphere. Our neighbors on this continent who happily do not have a formidable armaments burden to carry are in consequence freer to concentrate their resources for immediate economic development. The level of income, gift, property, estate, and inheritance taxes is already a heavy burden on all the people of the United States.

It would not be proper for me to suggest that other governments should make similar efforts to maintain sound monetary and fiscal policies, to create confidence in their currencies, to encourage savings, and to increase the availability of public funds through taxation. These are matters which each country must decide for itself and on which many are making substantial progress.

I do venture to suggest, however, that if our respective governments are to provide all of the facilities which will be needed to take care of present and future populations—such things as

schools, sanitation facilities, and roads, which only governments can provide—the resources of governments will be hard pressed to meet the need.

It is for this practical reason that my delegation suggests that the main burden of providing jobs for an ever-increasing number of breadwinners must fall heavily on private enterprise, which alone has resources adequate to the need.

Public and private capital together, working in harmony and toward the same end, can meet the combined challenge of social and industrial development if they are allowed to do so.

In addition to the need for capital there is the need for expanding trade. Economic growth depends heavily upon trade. It is the principal way in which foreign exchange is earned so that capital goods may be imported. This is why we place great importance on doing everything we can to liberalize and expand trade through adherence to the principles of the General Agreement on Tariffs and Trade, including true common-market arrangements.

In the field of technical assistance I wish to refer not only to the plans for the creation of a technical assistance department in the new Inter-American Bank but to the aggressive efforts provided for in the resolutions before us to bring about the assembling of factual material and the analysis of that material so that we may better understand and utilize our economic resources.

The distinguished delegate from Brazil [Augusto Frederico Schmidt] has correctly said that words by high officials will not suffice. Let us, then, approach our task in confidence and in unity with the single aim of creating an ever and ever greater level of productivity in the American Continent.

The United States is ready to get on with the work.

Frederick Seitz Appointed NATO Science Adviser

The Department of State announced on June 2 (press release 382) that the North Atlantic Treaty Organization had issued a release at Paris that day regarding the appointment of Frederick Seitz, head of the Department of Physics at the University of Illinois, as Science Adviser. Dr. Seitz,

who will also be chairman of the NATO Science Committee, will succeed Norman F. Ramsey, professor of physics at Harvard University.

The Science Adviser is concerned with the NATO science program, which stems directly from the principles laid down by the Heads of Government in December 1957¹ and which is moving forward in the promotion of scientific cooperation among NATO countries. Under the guidance of a distinguished group of scientists who comprise the NATO Science Committee, a program of scientific research fellowships for 250 students is planned for 1959 and funds have been made available to sponsor advanced study institutes on scientific subjects. This year five institutes are planned as follows: at Les Houches, France, sponsored by the University of Grenoble; at Oslo, Norway, sponsored by the Institute for Atomenergi; at Naples, Italy, sponsored by Scuola di Perfezionamento in Fisica Terioca e Nucleare; at Varenna, Italy, sponsored by the International School of Physics; and at Corfu, Greece, sponsored by the University of Athens. Additional programs in the field of scientific and technical cooperation are being planned by the NATO Science Committee.

United States Delegations to International Conferences

43d Session of International Labor Conference

The Department of State announced on June 3 (press release 389) that the President had designated the following persons as the principal U.S. delegates to the 43d session of the International Labor Conference, which convened at Geneva on June 3.

REPRESENTING THE GOVERNMENT OF THE UNITED STATES

Delegates

George C. Lodge, Assistant Secretary of Labor for International Affairs

Horace E. Henderson, Deputy Assistant Secretary of State for International Organization Affairs

Substitute Delegate

Allen R. De Long, Special Assistant to the Secretary of Commerce

¹ BULLETIN of Jan. 6, 1958, p. 12.

REPRESENTING THE EMPLOYERS OF THE UNITED STATES

Delegate

Cola G. Parker, director, Kimberly-Clark Corp.

REPRESENTING THE WORKERS OF THE UNITED STATES

Delegate

Rudolph Faupl, international representative, International Association of Machinists

The Speaker of the House of Representatives has been asked to designate two congressional advisers. It is expected that these names will be announced later.

The 43d session of the Conference will consider, among other things, the conditions of work of fishermen; protection of workers against radiation; problems of nonmanual workers, such as technicians and supervisors; collaboration between public authorities and employers' and workers' organizations; and organization of occupational health services in places of employment.

12th Session of ICAO

The Department of State announced on June 5 (press release 399) the following members of the U.S. delegation to the 12th session of the Assembly of the International Civil Aviation Organization (ICAO) which will convene at San Diego, Calif., June 16:

Delegates

E. R. Quesada, *chairman*, Administrator, Federal Aviation Agency

Nelson B. David, U.S. Representative on the Council of the International Civil Aviation Organization

Chan Gurney, member, Civil Aeronautics Board

Bradley D. Nash, Deputy Under Secretary of Commerce for Transportation

Laurence C. Vass, director, Office of Transport and Communications, Department of State

Alternate Delegates

Robert P. Boyle, Associate General Counsel, Federal Aviation Agency

Sidney S. Cummins, Office of International Administration, Department of State

Raymond B. Maloy, director, Office of International Coordination, Federal Aviation Agency

Congressional Advisers

Jeffery Cohelan, House of Representatives

Bob Wilson, House of Representatives

Advisers

John M. Bowman, chief, Regulatory Section, Air Transport Association of America, Inc.

Frank H. Fuqua, deputy chief, ICAO Division, Office of International Coordination, Federal Aviation Agency

Joan S. Gravatte, Aviation Division, Department of State
Alfred Hand, Assistant to the Director, Office of International Coordination, Federal Aviation Agency

Mary C. Hillyer, assistant chief, International Division, Bureau of Air Operations, Civil Aeronautics Board

Col. Thomas A. Personett, USAF, Directorate of Plans, Department of the Air Force

Paul Reiber, Assistant General Counsel, Air Transport Association of America, Inc.

Claude H. Smith, chief, ICAO Division, Office of International Coordination, Federal Aviation Agency

John Wanner, Associate General Counsel, Civil Aeronautics Board

Secretary of Delegation

Harry V. Ryder, Jr., Office of International Conferences, Department of State

This is the first time the United States has served as host to the plenipotentiary body of the Organization since ICAO was founded at the Chicago International Civil Aviation Conference in 1944.

The Assembly will review the technical, economic, and legal work of the Organization. One of the main topics for discussion will be the problem of providing air navigation facilities and services for international aviation, particularly the new jet transports.

Official delegations from almost all of the 74 member countries of ICAO are expected to attend. In addition certain countries which are members of the United Nations but not of ICAO, as well as certain international organizations, may send observers. The conference is expected to last about 3 weeks.

TREATY INFORMATION

Current Actions

MULTILATERAL

Narcotic Drugs

Protocol bringing under international control drugs outside the scope of the convention limiting the manufacture and regulating the distribution of narcotic drugs concluded at Geneva July 13, 1931 (48 Stat. 1543), as amended (61 Stat. 2230; 62 Stat. 1796). Done at Paris

November 19, 1948. Entered into force December 1, 1949. TIAS 2308.

Acceptance deposited: Ukrainian Soviet Socialist Republic, May 7, 1959.

Publications

Agreement relating to the repression of circulation of obscene publications, signed at Paris May 4, 1910, as amended by protocol signed at Lake Success May 4, 1949. Entered into force September 15, 1911, and May 4, 1949. 37 Stat. 1511; TIAS 2164.

Accession deposited: Jordan, May 11, 1959.

Slavery

Slavery convention signed at Geneva September 25, 1926, as amended by the protocol of December 7, 1953. Entered into force March 9, 1927, and July 7, 1955. 46 Stat. 2183; TIAS 3532.

Accession deposited: Jordan, May 5, 1959.

BILATERAL

Austria

Agreement providing for settlement of certain U.S. claims under article 26 of the Austrian state treaty of May 15, 1955 (TIAS 3298). Effected by exchange of notes signed at Vienna May 8 and 15, 1959. Entered into force May 15, 1959.

Brazil

Agreement further amending the agricultural commodities agreement of December 31, 1956, as amended (TIAS 3725, 3864, 4074, 4144, and 4183). Effected by exchange of notes at Washington May 29, 1959. Entered into force May 29, 1959.

Pakistan

Convention for the avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income. Signed at Washington July 1, 1957. Entered into force May 21, 1959.

Proclaimed by the President (with a reservation): May 28, 1959.

Panama

Agreement relating to the sale of military equipment, materials, and services to Panama. Effected by exchange of notes at Panamá May 20, 1959. Entered into force May 20, 1959.

DEPARTMENT AND FOREIGN SERVICE

Appointments

John E. Loomis as General Counsel of the U.S. Development Loan Fund. (For biographic details, see Department of State press release 401 dated June 6.)

Confirmations

The Senate on June 4 confirmed Ogden Rogers Reid to be Ambassador to Israel. (For biographic details, see Department of State press release 176 dated March 12.)

President Amends Executive Orders on Administration of Foreign Aid

White House press release dated May 21

WHITE HOUSE ANNOUNCEMENT

The President on May 20 issued an Executive order relating to the administration of the mutual security program. The action of the President was occasioned by the enactment of the Mutual Security Act of 1958 (amending the principal foreign aid statute—the Mutual Security Act of 1954).

The order consists of numerous amendments of prior Executive orders pertaining to the administration of the mutual security program. These amendments are primarily of a technical or routine administrative nature. The basic pattern for administering mutual security activities remains unchanged. That pattern is indicated by the following:

Department of State, including the International Cooperation Administration: All functions under the Mutual Security Act of 1954, as amended, except as otherwise indicated below and except as specifically reserved to the President. Among principal programs are economic assistance (including defense support and special assistance), technical cooperation, investment guaranties, and contributions to international organizations.

Department of Defense: Military assistance.

Development Loan Fund: Certain loans and other financing transactions to or with nations for purpose of furthering their economic development.

Department of Commerce: Facilitation and encouragement of travel; participation with respect to opportunities for private enterprise for investment and development in other free nations.

U.S. Information Agency: The publicizing abroad of activities carried out abroad under the Mutual Security Act of 1954, as amended.

EXECUTIVE ORDER 10822¹

FURTHER PROVIDING FOR THE ADMINISTRATION OF FOREIGN-AID FUNCTIONS

By virtue of the authority vested in me by the Mutual Security Act of 1954 (68 Stat. 832), as amended, including particularly sections 521 and 525 thereof, and by section 2(d) of Reorganization Plan No. 8 of 1953 (67 Stat. 643), and as President of the United States, it is ordered as follows:

SECTION 1. Executive Order No. 10575 of November 6,

¹ 24 Fed. Reg. 4159.

1954 (19 F.R. 7249),² as amended or affected by Executive Order No. 10610 of May 9, 1955 (20 F.R. 3179),³ Executive Order No. 10625 of August 2, 1955 (20 F.R. 5571),⁴ Executive Order No. 10663 of March 24, 1956 (21 F.R. 1845),⁵ and Executive Order No. 10742 of November 29, 1957 (22 F.R. 9689),⁶ is hereby further amended as follows:

(a) Section 101 (b) is amended by substituting "106(d)" for "107(b)", by substituting "section 402" for "sections 402 and 505", and by substituting "Chapter I" for "chapter 1 of Title I".

(b) Section 101(c) is amended by substituting for the text "and by Executive Order No. 10522 of March 26, 1954 (19 F.R. 1689)" the words "as amended", and by inserting before the final period the following: "; and the Director is hereby further authorized to carry out the functions of the Board of Foreign Service provided for by the Foreign Service Act of 1946, as amended (60 Stat. 999; 22 U.S.C. *et seq.*), with respect to personnel appointed or assigned pursuant to section 527(c) of the Act, and to prescribe such regulations and issue such orders and instructions, not inconsistent with law, as may be necessary or desirable for carrying out the foregoing functions; *Provided*, that nothing herein shall be construed as transferring to the Director any function of the Board of Foreign Service relating to any Foreign Service Officer".

(c) Section 102(a)(1) is amended by substituting "Chapter I" for "chapter 1 of Title I".

(d) Section 102(a)(4) is revoked.

(e) Section 102(a)(5) is redesignated section 102(a)(4), and is amended by inserting before the period the following: ", as amended".

(f) Section 102(b) is revoked.

(g) Section 102(c) is redesignated section 102(b), and is amended by substituting "Chapter I" for "chapter 1 of Title I".

(h) Section 103(a)(1) is amended by substituting a comma for "and", and by inserting after "into" the following: ", and terminating".

(i) Section 103(a)(2) is amended by substituting "143, 202(a)," for "202, 204", and by inserting "407," after "405(a),".

(j) Sections 103(a)(3) and (4) are redesignated sections 103(a)(4) and (5), respectively, and a new section 103(a)(3) is inserted after section 103(a)(2) reading as follows:

"(3) The functions conferred upon the President by section 403 of the Act, exclusive of the function of determining any provision of law to be disregarded to achieve the purposes of that section."

(k) Section 103(c) is amended by deleting "132(c),".

(l) Section 103(d) is amended by deleting ", 102(b),".

(m) Section 103(e) is amended by inserting after the parentheses the following: ", as amended".

(n) Section 104(b) is amended by inserting "the first sentence of" before "section".

(o) The heading of section 106 is amended to read "*Allocation and advance of funds.*"

(p) That portion of section 106(a) preceding the numbered paragraphs thereof is amended by inserting "or advanced" after "allocated".

(q) Section 106(a) is amended by inserting ", as amended" after "1956", and by substituting "Chapter I of the Act" for the following: "chapter 1 of Title I of the Act, as amended, and, without regard to section 106(a)(2) of this order, funds for carrying out section 124 of the Act, as amended".

(r) Section 106(a)(2) is amended by inserting "made available exclusively" after "except those", and by substituting "Chapter I and Title II of Chapter II" for "chapter 1 of Title I".

(s) A new section 106(a)(3) is added after section 106(a)(2), reading as follows:

"(3) Funds for carrying out Title II of Chapter II of the Act shall be advanced to the Development Loan Fund."

(t) Section 106(b) is amended by inserting "or transferred" after "allocated" in the first sentence, by inserting ", the Development Loan Fund," after "Secretary of Defense" in the first sentence, and by substituting "107(b)" and "411(d)" for "107(a)(2)" and "411(c)", respectively, in the second sentence.

(u) Section 106 is amended by adding at the end thereof a new subsection (d) reading as follows:

"(d) The sum provided for in section 402 of the Act and the first sum provided for in section 537(c) of the Act shall be divided between the Department of State and the Department of Defense as those departments shall mutually agree."

(v) Section 107 is amended by revoking section 107(a)(6) and section 107(b), by redesignating sections 107(a)(1), (2), (3), (4), and (5) as sections 107(a), (b), (c), (d), and (e), respectively, and by deleting "(a)" after the section heading.

(w) The section redesignated above as section 107(b) is amended by deleting "132(a),", "401,", and "404,", and by inserting "451(a)," after "410,".

(x) The section redesignated above as section 107(c) is amended by substituting "413(c), 523(c)," for "415,", and by inserting "and by the second sentence of section 416 of the Act," before "and, subject to".

(y) The section redesignated above as section 107(d) is amended to read as follows:

"(d) So much of the functions conferred upon the President by section 144 of the Act as consists of waiving specific provisions of section 142 of the Act."

(z) The following is added at the end of section 107 as amended above:

"(f) So much of the functions conferred upon the

² For text, see BULLETIN of Dec. 13, 1954, p. 914.

³ For text, see *ibid.*, May 30, 1955, p. 889.

⁴ For text, see *ibid.*, Aug. 15, 1955, p. 273.

⁵ For text, see *ibid.*, Apr. 16, 1956, p. 651.

⁶ For text, see *ibid.*, Dec. 23, 1957, p. 991.

President by section 415 of the Act as consists of furnishing assistance directly to the North Atlantic Treaty Organization for a strategic stockpile of foodstuffs and other supplies, or for other purposes."

(z-1) Part I is amended by substituting for section 108 new sections 108 and 109 reading as follows:

"SEC. 108. *Development Loan Fund.* (a) There are hereby delegated to the Managing Director of the Development Loan Fund, acting subject to the supervision and direction of the board of directors of the Development Loan Fund:

"(1) So much of the functions conferred upon the President by section 504(a) of the Act as consists of assisting American small business to participate equitably in the furnishing of commodities and services financed with funds authorized under Title II of Chapter II of the Act.

"(2) So much of the functions conferred upon the President by section 527(a) of the Act as consists of determining such personnel as need be employed by the Development Loan Fund to carry out the provisions and purposes of the Act.

"(b) There is hereby delegated to the Director of the Bureau of the Budget the function conferred upon the President by section 205(e) of the Act with respect to determining the records, personnel, and property of the International Cooperation Administration to be transferred to the Development Loan Fund in the event of disagreement between the Managing Director of the Development Loan Fund and the Director of the International Cooperation Administration.

"SEC. 109. *Cost-sharing arrangements.* Subject to the provisions of section 103(a)(1) of this order, the functions conferred upon the President by section 527(e) of the Act are hereby delegated to the several heads of Federal agencies in respect of any functions under the Act performed by officers and employees of those agencies, respectively."

(z-2) Part III is amended by renumbering sections 302 and 303 thereof as sections 303 and 304, respectively, and by adding after section 301 a new section 302 reading as follows:

"SEC. 302. *Employment of personnel overseas.* Persons henceforth appointed, employed, or assigned under section 527(c) of the Act for the purpose of performing functions under the Act outside the continental limits of the United States shall not, unless otherwise agreed by the United States Government agency in which such benefits may be exercised, be entitled to the benefits provided by section 528 of the Foreign Service Act of 1946, as amended, in cases in which their service under the appointment, employment, or assignment exceeds thirty months."

SEC. 2. Part II of Executive Order No. 10610 of May 9, 1955, is hereby revoked. Any other provision of Executive Order No. 10610 which is inconsistent with any amendment of Executive Order No. 10575 made by this order shall be subject to such amendment.

SEC. 3. The first sentence of section 2(a) of Executive

Order No. 10477 of August 1, 1953,⁷ is hereby amended by adding before the period at the end thereof the following: "and including also the authority available to the Secretary of State under section 571 of the Foreign Service Act of 1956, as amended".

Dwight D. Eisenhower

THE WHITE HOUSE,
May 20, 1959.

⁷ For text, see *ibid.*, Aug. 24, 1953, p. 238.

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Releases issued prior to June 1 which appear in this issue of the BULLETIN are Nos. 341 of May 19, 352 of May 22, 359 of May 25, 361 and 365 of May 26, 368 of May 27, 371 of May 28, and 376 of May 29.

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380	6/1	Report of U.S. delegation to 14th session of GATT.
*381	6/1	Murphy: remarks on receiving Laetare medal.
382	6/2	NATO science adviser appointed (rewrite).
383	6/2	Expulsion of Republic of China from International Olympic Committee.
*384	6/2	Rountree nominated as Ambassador to Pakistan (biographic details).
*385	6/2	Jones nominated as Assistant Secretary for Near Eastern and South Asian Affairs (biographic details).
386	6/3	DLF loan to Guatemala (rewrite).
†387	6/3	Austria to return property, rights, and interests to war persecutees.
*388	6/3	Cultural exchange (Morocco).
389	6/3	U.S. delegation to International Labor Conference (rewrite).
390	6/4	Satterthwaite leaves for Africa conference.
391	6/4	Dillon: subcommittee of House Banking and Currency Committee.
392	6/4	Indian research materials.
393	6/4	DLF loan to Spain (rewrite).
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*395	6/5	Hanes: House Un-American Activities Committee.
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†397	6/5	Shipping conference.
*398	6/5	Argentine meat-processing technicians visit U.S.
399	6/5	U.S. delegation to ICAO (rewrite).
*400	6/5	Itinerary of Presidents of European communities.
*401	6/6	Loomis appointed DLF General Counsel (biographic details).

*Not printed.

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in

INTERNATIONAL CONFERENCES

July 1, 1957–June 30, 1958

Department

of

State

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Bulletin

Vol. XL, No. 1044

June 29, 1959

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THE
OFFICIAL
WEEKLY RECORD
OF
UNITED STATES
FOREIGN POLICY

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THE DEPARTMENT OF STATE

Bulletin

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DEPOSITORY.

The Department of State BULLETIN, a weekly publication issued by the Public Services Division, Bureau of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

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U.S. Presents Views on Berlin Issue at Geneva Conference; Rejects Soviet Proposal on West Berlin

Statements by Secretary Herter

STATEMENT OF JUNE 5

Press release 402 dated June 8

My purpose today is to indicate to the conference my Government's views on the Berlin issue, after having taken into account the discussions we have had during the past weeks.¹ I shall try to explain the objections we have to the Soviet Union's plan to impose a new status on West Berlin prior to the reunification of Germany. I shall try to explain the reasons why we think that the Berlin proposal contained in the Western peace plan² is a reasonable solution for the interim period prior to the reunification of Germany.

Before making these points, however, I would like to suggest that, in dealing with the great political issues that concern us here, there may be a tendency to overlook the fact that the lives and liberties of more than 2 million persons are at stake in our deliberations.

To keep a good sense of proportion on this score let us not forget that the population of West Berlin is greater than the population of almost 20 percent of the member nations of the United Nations. And it is estimated that the value of the goods and services produced in West Berlin last year exceeded the gross national product of more than half of the members of the United Nations.

Defects in Soviet Plan for West Berlin

The Foreign Minister of the Soviet Union has said that by the term "the Berlin problem" he

¹ For statements made by Mr. Herter during the first 3 weeks of the Foreign Ministers Conference at Geneva, see BULLETIN of June 1, 1959, p. 775; June 8, 1959, p. 819; and June 15, 1959, p. 859.

² For text, see *ibid.*, June 1, 1959, p. 779.

meant "primarily the ending of the occupation in West Berlin." It seems that this definition minimizes the real dimensions of the Berlin problem. For us, the Berlin problem means maintenance of freedom for more than 2 million human beings who at the end of the war with the agreement of the Soviet Government came under the occupation authority of the three Western Powers.

Although our rights in Berlin stem from the war, our obligations arise from the trusteeship which we have undertaken to exercise for the people of Berlin until the reunification of their country removes this need for our protection. The past 14 years have shown that West Berlin is encircled by hostile forces and that its independence and well-being are dependent upon the presence of the three Western Powers in the city and in the maintenance of the political and economic links between Berlin and the West.

I think that there is another fundamental difference between the Soviet Union and ourselves on this matter of Berlin. This difference derives from our different attitude toward the reunification of Germany. Although talking about the ideal of German unity and recognizing that German reunification is the real key to the Berlin problem, the Soviet Union has openly adopted a two-Germany policy, if not a three-Germany policy. Now how does West Berlin fit into this policy of the permanent partition of Germany? The Soviet Foreign Minister gave us the answer on May 30 in one of the most revealing statements made during the many plenary sessions we have held. I should like to quote from RM/Doc/29 dated May 30, and I am quoting the Soviet Foreign Minister:

If we are to speak frankly, the Soviet Government considers the creation of a free city far from being an ideal solution of the West Berlin question. The most equitable approach to this question would be, of course, the extension to West Berlin of the full sovereignty of the German Democratic Republic. I think that the German Democratic Republic, whose capital the division of the city continues to mutilate, could with the fullest justification demand such a solution of the question.

I am grateful to Mr. Gromyko for his willingness to speak so frankly. We thus have in his own words a clear and valuable statement of the ultimate objective of the Soviet Union regarding West Berlin.

Under this policy the Soviet Union asserts that it would be most acceptable for West Berlin to be annexed to the so-called "German Democratic Republic." Mr. Gromyko has made no bones about this. This is his preferred solution to the Berlin question. It is no wonder then that the Western Powers, who see in the reunification of Germany the only real solution to the Berlin issue, are having difficulty with the Soviet interim plan for West Berlin.

It may be useful to look at this admittedly "second preference" Soviet plan a little more closely.

Since the prime Soviet purpose is to remove the Allied presence from West Berlin, it is not surprising that the key part of the plan is the termination of Western occupation rights. Even if, as is clearly not the case, the rest of the plan were acceptable to us, this point alone would vitiate the entire scheme.

During the course of our talks about Berlin this conference has clarified at least one important matter. The Western Powers presence and their access to Berlin are a matter of right: They are not at the sufferance of any other authority, legitimate or otherwise. On June 2d Mr. Gromyko told us:

The representatives of the Western Powers interpret not infrequently the proposal of the Soviet Government concerning the granting of the status of a free city to West Berlin as if the Soviet Union disregards the rights of the U.S., U.K., and France, which arise from the capitulation of Hitlerite Germany, but this is an inaccurate interpretation. We do not consider that the troops of the U.S., the U.K., and France have turned up in Berlin by some sort of illegal means. . . .

This is a constructive if somewhat tardy recognition by the U.S.S.R. of our established and

legitimate rights, although historical facts support this juridical conclusion and exclude any other.

The second salient defect in the Soviet plan is that it would in effect compel the Western Powers to grant a measure of recognition to the so-called German Democratic Republic. No non-Communist nation has recognized this instrument of the Soviet Union as an independent nation. I can assure you that we have no intention of recognizing the so-called German Democratic Republic as the price of a solution to the Berlin problem.

I should point out one other serious defect in the Soviet plan. Although purporting to terminate the occupation, it would supplant the present regime by imposing in a real occupation spirit a new political status on the people of West Berlin. The U.S.S.R. in its note of November 27, 1958,³ formally acknowledged that West Berlin must be granted the right to whatever way of life it wishes for itself, with one qualification—"when the foreign occupation is ended." I cannot find any hint or suggestion in the Soviet plan that, even though the "foreign occupation" would be ended under the Soviet plan, the people of West Berlin would have any real voice in whether or not the proposed new political status should come into existence.

As a matter of fact, the West Berliners have by an overwhelming vote endorsed their present way of life—and by that same vote they have in effect rejected the Soviet scheme. They are in a first-rate position to judge for themselves the comparative merits of a free system and a Communist system.

The U.S.S.R. has vigorously urged that we impose this new unwanted status on West Berliners under the label of a "free city." Surely by this time the U.S.S.R. should have had enough experience with governments not based upon the consent of the governed! This indeed is a curious proposal coming from the Soviet Foreign Minister, who at the same time complains that the West Berliners are now being deprived by the Western Powers of rights contained in the charter of the United Nations.

One final defect in the Soviet plan should be noted. In addition to the Western military presence West Berlin owes its viability to its political,

³ For text, see *ibid.*, Jan. 19, 1959, p. 81.

economic, and social ties with the Federal Republic of Germany. The entire thrust of the Soviet plan for West Berlin cuts into these ties and is clearly intended to establish a situation which will be but a "way station" on the road to the preferred Soviet solution—that of annexation of West Berlin by the Communist-controlled authority in East Germany.

It seems to us that the term "free city" is a complete misnomer. There would be no freedom in this new status for the West Berliners since the new status would not cover a city but only a truncated two-thirds of a city.

The Soviet second-preference proposal contains nothing or practically nothing different from the November 1958 Soviet proposal for changing the regime in West Berlin (as modified subsequently by Mr. Khrushchev). In this proposal the Soviet Union does not appear to make any effort at all to meet the view of the Western Powers with respect to the essentiality of a clear maintenance of present Western rights in Berlin. It cannot form a basis for any solution of the Berlin issue raised by the U.S.S.R.

The Western Peace Plan

In rejecting the U.S.S.R.'s second-preference "free city" proposal the Western Powers do not maintain that the present situation is ideal. We do not say that it cannot be improved in some respects.

In our concentration on Berlin we perhaps have tended to overlook the other important aspects of the Western peace plan. It would be an illusion, and a dangerous one at that, to believe that any long-range Berlin solution can be reached in the face of a complete impasse on the central problem making for continuing European insecurity—that of a divided Germany.

The heart of the Western peace plan lies in its comprehensive proposal for the gradual reunification of Germany. The plan makes provision as well for European security and concomitant arms-control moves—and for an interim Berlin solution. But the continued dangerous division of Germany places great obstacles in the way of real progress on European security, arms control, and Berlin. The unification of Germany is still our main task. We are confident that the solution proposed in the Western peace plan will stand the

test of history and will be seen to offer reasonable answers to the great problems raised by the continuing division of Germany.

It seems clear from the worldwide appreciation which the Western peace plan has received that the Soviet's claim that it is but a device to generate disagreement has met the reception it deserved.

And so let us continue to look at these matters in parallel. In trying to improve the Berlin situation for the interim we must not do anything to put off the day when Germany is reunified. And in our striving for German unity we must not prejudice the position of West Berlin.

What is the interim Berlin proposal contained in the Western peace plan? It would, in advance of final reunification of Germany, permit the unification of the separated parts of Berlin. Free elections would be held throughout the city. The Four Powers would guarantee the freedom of the city and access thereto pending the reunification of Germany. These happy developments would take place in the very first phase of the Western peace plan. Their accomplishment would be a good harbinger of that greater unity which under our plan would follow shortly thereafter for all of Germany.

The U.S.S.R. gave short shrift to the whole Western peace plan as well as its all-Berlin proposal. On May 31st we read in the press that Mr. Khrushchev said at Tirana in Albania:

The seven-point plan tabled by Mr. Herter does not contain a single element for negotiation. These proposals are not based on a desire to find a correct solution with a view to achieving that relaxation of international tension which all the peoples so anxiously await.

Foreign Minister Gromyko said in a plenary session of this conference, June 2:

Unfortunately, this statement could not fail to give rise to a feeling of profound disappointment. [This is the statement that I had made.] It only strengthened our view that the Governments of the three Western Powers continue to adhere to positions which offer no basis for the attainment of an agreement.

What, then, is the present situation? The U.S.S.R., while recognizing existing Western rights in and to Berlin, still puts forward its second-preference plan as unveiled some months ago. It proposes that the Western Powers abandon their present rights in favor of the Soviet plan. This we will not do. We will have no

share in imposing a new status on the West Berliners against their will. Such a new regime would make German unity more difficult to achieve since it would establish still a third part of Germany.

However, we recognize our responsibilities for keeping friction between our two systems to a minimum. We recognize that Berlin, because of its unique situation, can be a source of friction. We are willing to search in good faith with the Soviet Union for some reciprocal improvement in the Berlin situation. However, it should be very clear that any improvement arrangement must meet these criteria: (a) respect for existing Western rights of presence and access to Berlin and existing agreements concerning such rights since the Western presence is essential to maintain West Berlin's freedom; (b) no recognition of the so-called German Democratic Republic; (c) maintenance of West Berlin's political and economic ties with the West.

West Not Fooled by Soviet's "Free City" Label

Should we accept the Soviet's "free city" proposal? We cannot forget that this is not the first time that the Soviet Union has tried to put an end to a really free Berlin. Only 3 years after the war the U.S.S.R. tried to starve the free Berliners into the acceptance of a way of life which the Soviets would dictate. One remembers now that the Soviet's excuse then was that technical difficulties would not permit food or other traffic to flow into Berlin from West Germany. This time a more subtle approach is being attempted; the justification given is quite as transparent—to relax tensions, to remove "dangerous situations," to end occupation which "the events of life passed by."

Our reading of recent history indicates that the proposed "free city" would be but a disguise for gradual smothering of West Berliners' present freedom. In 1948 no one was really fooled by the "technical difficulties" alibi. In 1959 no one is being fooled by the false label "free city."

This is no time to resort to a breach of solemn international agreements under the guise of "relaxation of tensions." If the Soviet Government will exercise the necessary degree of responsibility and recognize the legitimate rights of other nations, the situation in Berlin may develop in a

tolerable fashion. Today the world judges nations by their willingness to stand by their international obligations. The Soviet Government must recognize that Berlin is a solemn testing ground on which its intentions with respect to its international obligations are being watched.

In these troubled times peace with justice is the greatest goal to which man can aspire. I hope that the Soviet Union will be willing to demonstrate, by word and by deed, that it is ready to move toward that great goal.

Some Facts About East Berlin

There is another phase of this same problem on which I wish to touch quite briefly. I had hoped that I would not have to bring up this subject, but it has been made so clear to us that unless it is part of this record there will be an assumption from things that have been said here that West Berlin is a hotbed for all kinds of subversive efforts, whereas the surrounding territory, and, in fact, East Berlin, is completely free from any such intent or operations.

We have been forced to listen here to allegations that the Western Powers are using West Berlin to carry on subversive activity and hostile propaganda against the U.S.S.R., the so-called German Democratic Republic, and other countries.

Now it is strange that the Soviet Foreign Minister should have been so sensitive as to these alleged activities and at the same time should have neglected to mention the highly objectionable activities conducted out of East Berlin. I should therefore like to place a few facts before this conference.

East Berlin is the site of one of the heaviest concentrations of subversive and spying activities in the world. On the part of the so-called German Democratic Republic alone it is reliably estimated that 26,000 officers, directing more than 200,000 agents and informers, are engaged in such activities detrimental to the interests of West Berlin and the Federal Republic, and countries beyond, including Scandinavia. A mass of documentation supports the fact that East Berlin has been systematically abused over many years as a center of subversion, kidnaping, spying, and numerous other hostile activities.

The goal of this centrally directed effort at subversion is the complete overthrow of the existing

constitutional and social order in West Berlin and the Federal Republic.

The recruitment of spies, agents, and informers is done by every possible means, including the threat of reprisals against members of families residing in the so-called German Democratic Republic. The primary objective is, of course, subversion and espionage, including industrial espionage. But this is also part of a massive effort to infiltrate the West Berlin Government and Allied organizations in West Berlin as well as every other major organized activity, such as trade unions, works councils, and youth groups. The very recent revelation of the existence of such a ring of agents directed from East Berlin within the West Berlin and West German Christian Democratic Union Party provides a good illustration of the scope of such activities.

Innumerable acts of force originating in East Berlin have been carried out against people in West Berlin. The most sensational of these have been cases of kidnaping. Our own conservative calculations show there have been at least 63 actual cases, 31 attempted kidnapings, and 21 probable cases since the end of the war. Although drugs were used in a number of instances, most of these kidnapings involved the use of brute force. A report just completed by the Senate of Berlin confirms our figures.

General subversive activities, incitement to sedition, and attacks on public order directed from East Berlin comprehend a vast variety of activities. They are aimed at subverting the existing social, political, and economic order in West Berlin, with seizure of control as their eventual objective.

The East Berlin agents spread lies and rumors and conduct whispering campaigns. They send anonymous letters to wives or husbands to imply that their marriage partners are being unfaithful or to suggest any one of a number of slanderous possibilities. They seek to sow confusion by spreading false and contradictory reports. They try to create terror through threats or false rumors and reports. They make massive attempts to infiltrate organizations in West Berlin.

In this vast effort they employ a great variety of means, including the use of individual operatives, the use of the Socialist Unity Party, which is still permitted to function in West Berlin, and the use of various mass organizations with head-

quarters in East Berlin, such as the Free German Trade Union Organization, the Free German Youth Organization, and the German Culture League.

East Berlin is being misused as the center of an extensive campaign of slanderous personal vilification against the institutions and officials of the Allies and of the German authorities in West Berlin. This involves the frequent use of lies as well as outright forgeries. A good example of this is the current campaign of vilification by press and radio against myself, the Foreign Minister of the Federal Republic, and other leading officials.

The fact that over 500 persons living or working in West Berlin were convicted of treasonable activities in a period from August 30, 1951, to the end of 1958—an average of more than one a week—helps illustrate the scope and purpose of this attempt to subvert the existing order in West Berlin.

East German Subversive Apparatus

The apparatus of the so-called German Democratic Republic engaged in this evil work includes the Ministry for State Security, whose strength is 13,000 men. This is the basic overt and secret internal security arm of the regime. It also engages in clandestine operations against the Federal Republic and West Berlin.

One of its sectors is called Foreign Sector—Intelligence, with a strength of 500. The main mission of this bureau is to recruit espionage agents in the West. Its chief targets are the Federal Republic and West Berlin. Recruited agents are used not only to produce information but also for disruption and political action.

Another sector deals with counterintelligence and has a strength of 12,000 staff members in addition to 40,000 agents. This sector has two primary missions. The first is counterintelligence and counterespionage within East Germany, using an infamous informer system in all segments of society. The second is penetration of Western organizations, such as church organizations, West German parties, and military and governmental offices. This bureau specializes in kidnapings by force or drugs and in coercing relatives residing in East Germany into luring refugees back to East Berlin, where they are arrested.

Then comes the Ministry of Defense's office

entitled Administration for Coordination. This is a cover designation for the military intelligence service. It is responsible for clandestine procurement of intelligence on NATO military forces, especially the Federal Republic. It also uses coercion and corruption to recruit agents, mostly in the West.

The Ministry of Defense has another office, called the Independent Department. This is responsible for the subversion of the West German armed forces. It disseminates subversive propaganda and engages extensively in falsification and harassment operations. One example of this harassment is the sending of forged Federal Republic death notices to mothers of West German soldiers.

The East German mass organizations also play a role in the unceasing effort to subvert West Berlin and the Federal Republic. They include the Free German Trade Union Organization, the Free German Youth Organization, the Democratic Women's Federation, the German-Soviet Friendship Society, and the German Culture League. All have special Western sections whose primary functions are: to infiltrate parallel Federal Republic and West German groups, to recruit sympathizers and dupes, to promote Communist subversive aims through massive written and oral propaganda, and to send so-called "instructors" to the Federal Republic and West Berlin on special assignments for agitation, disruption, and subversion.

The propaganda and agitation activity of *Deutschlandsender*, *Berliner Rundfunk*, *Freiheitsender*, and East German TV has been violent and slanderous. Since this conference began, its output has risen in vituperation and fallen in ordinary decency.

An organ of the so-called German Democratic Republic Council of Ministers generates publications, press conferences, designed to label the Federal Republic as Nazi, militarist, and thirsting for revenge.

All levels of the so-called German Democratic Government, down to townships, are given assignments to organize large-scale writing of propaganda letters to Federal Republic and West Berlin individuals and organizations.

In addition to the state functionaries, at least 8,000 party and mass organization officials are engaged full time in subversive operations

against the Federal Republic and West Berlin. Many thousands more are employed part time.

It is difficult to estimate the amount of money expended on these nefarious activities, but it is conservative to say it totals many scores of millions of dollars. This is money that could well be spent on improving the standard of living of the people of East Germany, which is noticeably below the standard of the people of the Federal Republic.

I have given an all-too-brief description of a situation which is both scandalous and dangerous. It is a sad commentary on the ethics of the men who conduct these activities. Those men comprise the regime of the so-called German Democratic Republic, and that regime is neither German, nor democratic, nor a republic. More important still, it is a revelation of the determination of these men to achieve their objective by any means at hand. And that objective is to bring West Berlin and the Federal Republic under the control of an ideology which teaches that any means is legal and good which serves to impose it on the other peoples.

I sincerely regret having had to make these remarks. We need so much to concentrate on the major issues before us. But the matter on which I have spoken is not unrelated to these major issues, and I would not have raised it here had it not been for the repeated statements with regard to the activities that are being conducted in West Berlin and that are being considered a danger in the present situation.

STATEMENT OF JUNE 10

Press release 416 dated June 11

I have listened with close attention to the statement which the Soviet Minister has just made. It contains an extraordinary proposal.

My surprise is not lessened by the fact that in the private meeting of the four Foreign Ministers yesterday [June 9] Mr. Gromyko outlined to us the main points of his new proposal. I then asked for a copy of the document from which he was reading in the light of its significance. I was told that no document could be made available for study. The Soviet Foreign Minister wanted to unveil his proposal today in a plenary session.

Let me say now categorically that Mr.

Gromyko's proposal is wholly unacceptable to my Government and cannot be taken as a basis for discussion.

It is unacceptable on two grounds.

First, because of its substance: Mr. Gromyko proposes four conditions which the Western Powers must accept in order to maintain any forces in Berlin, even for a limited period.

First, these garrisons must be reduced to what Mr. Gromyko has described as "symbolic" contingents. Their arms are also to be restricted. I might here say that I thought we had all agreed and assumed that 11,000 Allied troops in a community of over 2 million Allied people, surrounded by hostile territory and ringed by nearly 30 East German and Soviet divisions, could only be described as symbolic. Mr. Gromyko has stated on several occasions that they have no military significance. But we are now told they must be drastically reduced.

Secondly, the Soviet Foreign Minister stipulates that all propaganda conducted in West Berlin must be stopped. No distinction is made between legitimate news and comment, on the one hand, and hostile propaganda, on the other. We have no intention of curtailing essential freedom of speech, which is the proud possession of the West Berliners and the envy of all who can read or listen in the Soviet Zone. However, we have made clear that we are prepared, consistent with this freedom, to take part in reciprocal measures to reduce tensions in the Berlin area from this source. We note, moreover, that there is no mention of curtailing the vicious propaganda which emanates from East Berlin.

Third, all organizations in West Berlin engaged in espionage and subversion must be liquidated. I pass over this curious proposal by reminding the Soviet Foreign Minister of the ugly facts and figures contained in my statement of June 5 at this conference on the subject of massive Soviet and East German subversive and terroristic organizations located in or operating through East Berlin. We have indicated, however, our willingness on a reciprocal basis to use our best efforts to discourage activities in the Berlin area which might threaten public order.

Finally the Soviet Foreign Minister calls on the three Western Powers to assume a unilateral obligation not to station atomic or missile facilities in West Berlin. I am at a loss to understand this

condition. Perhaps Mr. Gromyko realized that, if it were not embodied in an otherwise unacceptable package, we could readily agree if it were clearly reciprocal.

It goes without saying that the sum and tone of these conditions are improper for presentation in a serious negotiation between sovereign states.

12-Month Deadline

The second and even more important reason why this proposal is wholly unacceptable is because of its threatening nature. It seeks to establish a limit of 12 months for the continued rightful presence in West Berlin of the United States and its allies, the United Kingdom and France. During that 12-month period an effort would be made to force a confederation of Germany on Soviet terms. Failure of this effort would result in the signature of a separate peace treaty by the Soviet Union with the so-called German Democratic Republic—a treaty which the Soviet Union pretends would extinguish our rights.

Obviously we cannot accept a time limit of 12 months for life expectancy of the rights which we and our allies acquired as a result of the capitulation of Hitler's Germany. They are not rights which were granted us by the Soviets. They are not rights which the Soviets can cancel, assign, or modify. They are rights which we retain and will feel free to exercise so long as Germany is divided and the free people of West Berlin look to us for their protection.

Mr. Gromyko's fundamental point is this attempt to establish a deadline for expiration of our rights in and to Berlin and for the time in which a German peace treaty can be negotiated. And these negotiations must end in the result the U.S.S.R. demands.

This is the same element of duress that was contained in the Soviet note of November 27, 1958, which we and our allies flatly rejected. We did not agree to this conference until that duress had been removed.

What prompts the Soviet Government now to attempt to reinstate a time limit? The U.S.S.R. should know by now that the United States will never negotiate under deadlines, threats, or duress.

I am quite sure that Mr. Gromyko knew this before he made his statement here today. Must we now conclude that he made this statement in

order to interrupt the process of negotiation on which we have been engaged since May 11?

I deeply regret the introduction of such pressure tactics into our negotiations.

Western Desire for Serious Negotiations

We and our French and British allies came to Geneva last month in the desire to negotiate seriously in a genuine effort to resolve major problems. These problems—and at the forefront of them is the division of Germany—have for years created a state of uncertainty in Europe.

This uncertainty was artificially heightened last November by the sudden Soviet creation of a Berlin crisis, with new and serious tensions. Until the Soviets created that crisis 10 years of relative tranquillity had passed—ever since the end of the Soviet blockade of Berlin in 1949.

We came to Geneva hoping to achieve some progress toward the solution—partial if not complete—of these problems. If some progress proved possible, we looked forward to a summit meeting as the next step toward a more secure, peaceful, and just world.

We put forward the Western peace plan to deal with the problem of a divided Germany. We had worked over these proposals long and carefully. They met, we believe, to a substantial degree the objections the Soviets had made to our plans for German reunification put forward in 1955.

The Soviet Foreign Minister rejected the Western peace plan out of hand.

Despite this rejection we have held a series of private meetings which, at the request of the Soviet Foreign Minister, dealt with the problem of Berlin. The first of these talks was held in the aircraft in which we four Foreign Ministers flew back to Geneva from John Foster Dulles' funeral.

During these discussions we made clear to the Soviet Foreign Minister why his "free city" proposal for Berlin was unacceptable. Despite our exposition of our own proposal for a united Berlin, Mr. Gromyko refused seriously to discuss it. In fact Premier Khrushchev said publicly, immediately after our presentation, that "the seven-point plan tabled by Mr. Herter does not contain a single element for negotiation."

Accordingly we proceeded to discuss an interim solution for West Berlin to last until the reunification of Germany. We sought such an interim

solution in good faith within the limits of our respective positions.

In the course of these private meetings the Western Powers expressed their willingness to examine the situation with a view to relieving in reasonable fashion any legitimate worries of the U.S.S.R.

We agreed that the situation of West Berlin is abnormal. So is the situation of Germany. It is abnormal for a city and for a country to remain divided 14 years after the end of the war.

We felt that improvements could be made in the existing situation in Berlin.

We made concrete suggestions.

We expressed a willingness to see what practical arrangements might be made to meet the Soviet Government's expressed desire to relieve itself of certain access responsibilities which it is now obliged to carry out by virtue of certain agreements with the Western Powers.

Until yesterday's meeting we had some slight basis for hoping that we might arrive at a practical agreement which would give satisfaction to the Soviet position without prejudicing our rights and would provide added assurance for the freedom of access for civil and military traffic.

Yesterday, however, in our private meeting Mr. Gromyko without warning shifted the entire basis of our discussion from an interim solution for Berlin pending Germany's reunification to the extraordinary proposal he has just repeated.

Soviet's Refusal To Discuss East Berlin

Before closing, let me record one curious circumstance of our discussion over the past 2 weeks on Berlin. The Soviet Foreign Minister has constantly refused, despite all our efforts, to discuss East Berlin.

Surely Mr. Gromyko remembers the Allied protocol of September 12, 1944, which states that:

Germany, within her frontiers as they were on 31st December, 1937, will, for the purposes of occupation, be divided into three zones, one of which will be allotted to each of the three Powers, and a special Berlin area, which will be under joint occupation by the three Powers.

This protocol was later amended to provide a fourth zone of occupation in Western Germany and fourth sector in West Berlin for France.

As is well known, the Soviet Government has taken certain actions with respect to Eastern Ger-

many and East Berlin—actions which the Western Powers never agreed to or approved. East Berlin the Soviets now refuse to discuss. As a result of their own unilateral action they assert it to be an integral part of the so-called German Democratic Republic. Having purported to dispose unilaterally of their own sector of Berlin, they seek to achieve our removal from the three Western sectors of Berlin. This is consistent with the Soviet Foreign Minister's statement of May 30, 1959:

The fairest approach would be to extend to West Berlin the full sovereignty of the German Democratic Republic.

The latest Soviet proposal appears to have set us back not just to May 11, when this conference opened, but to November 1958, when the Soviet Union fabricated the Berlin crisis and insisted that its terms be accepted by May 27, 1959.

We are unwilling to negotiate under this threat. I hope, therefore, that the Soviet Government will reconsider its position.

I would much prefer to continue these talks, as long as there is any real prospect of progress—either to improve the situation in Berlin or toward an agreed solution for Berlin as a whole. I hope that we will be able to pick up again the parted strands of these negotiations free from any hint of duress.

In this event, I remain ready to join in seeking an agreement consistent with the honor of all of our countries and one which would pave the way for a useful meeting of the Heads of Governments.

STATEMENT OF JUNE 12

Press release 427 dated June 12

Mr. Chairman, at the last session that we held here, I made some remarks in regard to the new proposals which had been advanced by the Soviet delegation and which in appearance contained certain threats which were extremely disquieting, I think, to each of my colleagues and to myself from the expressions that were then given word to at that meeting. Since those proposals were made on Tuesday last [June 9], and again at a session of the full conference here on Wednesday, Mr. Gromyko has advised the press—and, I may say again, advised me in a conference which I held

with him yesterday—that these were not intended, these proposals, to be threats or a menace, as they were described, or a dictate. I think that the record should be entirely clear on that point.

I had selected at the time of my statement certain parts of his proposals for comment, both the substance and the tone of which were clearly threatening with respect to time limits and action which would be taken. Mr. Couve de Murville [Foreign Minister of France] analyzed, I think quite correctly and in considerable detail, the double threat contained therein with the 1-year period with respect to the rights of troops in Berlin and a 1-year period with respect to access to Berlin.

I think it would be very helpful to this conference if Mr. Gromyko would be willing to tell us here what he told me yesterday in private conversation with respect to the intent of these proposals which so clearly, in our minds, were a threat. I think that from the point of view of the continuation of our discussions it is important that that matter be fully clarified, and I feel confident that Mr. Gromyko would be willing to do that in order that we would know exactly where we stand from the point of view of any continuation of our discussions.

Dr. Kirk To Represent U.S. on NATO Studies Committee

The Department of State announced on June 9 (press release 405) the appointment of Dr. Grayson Kirk, president of Columbia University, as U.S. representative on the North Atlantic Studies Committee of NATO.

This Committee, which will hold its initial meeting at Paris on June 11, will have as one major task the selection of candidates under the NATO fellowship program. It will also examine NATO's cultural activities, recommend specific projects in this field to the North Atlantic Council, and take steps to support private initiatives in the field of Atlantic Community studies. The general purpose of the Committee, composed of eminent representatives from the 15 member countries of NATO, is to encourage and guide the growing cultural cooperation of the alliance.

Presidents of European Communities Conclude Official Visit

Walter Hallstein, President of the Commission of the European Economic Community, Etienne Hirsch, President of the Commission of the European Atomic Energy Community, and Paul Finet, President of the High Authority of the European Coal and Steel Community, made an official visit to Washington June 9-12. Following is the text of a joint communique issued on June 12 by the United States, the Commissions, and the High Authority, together with welcoming remarks by Acting Secretary Dillon on June 9 and the responses of the three presidents.

JOINT COMMUNIQUE

Press release 419 dated June 12

1. Dr. Walter Hallstein, President of the Commission of the European Economic Community, M. Etienne Hirsch, President of the Commission of the European Atomic Energy Community, and M. Paul Finet, President of the High Authority of the European Coal and Steel Community, today concluded an official visit to Washington.

2. During their visit, the three executives of the European Communities called jointly on the President, and on the Acting Secretary of State, the Secretary of Commerce and the Secretary of the Treasury. They called individually on the Secretary of Agriculture, the Acting Secretary of the Interior and the Acting Secretary of Labor, and on members of the Atomic Energy Commission. They also met informally with members of the Senate Committee on Foreign Relations, the House Committee on Foreign Affairs, the House Ways and Means Committee and the Joint Congressional Committee on Atomic Energy. Discussions during the past several days reflected the close identity of view which prevails between the United States and the European Communities on matters of common concern.

3. Dr. Hallstein, M. Hirsch and M. Finet on behalf of the European Communities took this occasion to express to the President their appreciation and gratitude for the consistent support and sympathetic interest the United States has always shown toward the European integration

movement. The President stated that the United States continues to support the objectives of the European Communities because of the significant promise they hold for enhancing the strength and well-being not only of Europe but of the entire Free World.

4. The three Presidents reviewed with the Acting Secretary of State and other interested United States officials the substantial progress made thus far in the movement toward economic integration and closer unity among the six Member States, Belgium, the Federal Republic of Germany, France, Italy, Luxembourg, and the Netherlands. They expressed the determination of the European Communities to continue to strive for that goal in close association with the other nations and institutions of free Europe and of the Atlantic Community. They further referred to the vital importance of cooperative relations between the industrially-developed nations and the less-developed areas in Africa and elsewhere, and expressed the hope that increasingly the European Community will participate in assistance to these areas. The Acting Secretary of State welcomed these statements. He pointed to the widespread interest in this country in the efforts of the Communities to bring about European unity, to build a great, single market among the six Member States and to contribute to international trade and development. He noted with satisfaction the close relations which have been established between the United States and the European Communities.

5. The three Presidents emphasized the resolution of the European Communities to help bring about social, economic, and scientific progress in the Member States, and to work jointly with other nations for the creation of a liberal, multi-lateral world trading system, based on the principles embodied in the Articles of Agreement of the International Monetary Fund and the General Agreement on Tariffs and Trade. In this connection, the Acting Secretary of State and Dr. Hallstein welcomed the recent decision of the Contracting Parties to the General Agreement to accept the United States proposal for new reciprocal tariff negotiations to begin in 1960.¹ Both sides were agreed on the importance of the forthcoming tariff negotiations as part of the con-

¹ BULLETIN of June 22, 1959, p. 917.

tinuing movement for freer world trade and on the necessity to exert every effort through these negotiations to bring about a further general lowering of trade barriers. The Acting Secretary of State reaffirmed the continuing interest of the United States in further progress toward the elimination of discriminatory trade restrictions on the part of European countries.

6. The Presidents pointed to the joint U.S.-EURATOM nuclear power program² as an example of the close collaboration between two of the major scientific and technical communities of the world for the benefit not only of these areas immediately concerned but also for the areas of the world which lack the resources to mount such programs. M. Hirsch reported on the status of this program. He was assured by the United States Government of its continued support and cooperation with a view to insuring the success of this important program for peaceful development of nuclear resources.

7. M. Finet reviewed the development of the European Coal and Steel Community including the present coal situation and noted that the outlook for the immediate future was a continued surplus of European coal. United States representatives expressed concern that certain Community countries had adopted restrictive import measures adversely affecting United States coal exports and urged early removal of these restrictions. M. Finet assured United States representatives that the High Authority is pressing for the removal of restrictions as soon as circumstances permit.

8. The Presidents and the Acting Secretary of State explored the question of establishment in the United States of permanent representation by the European Communities, on a basis comparable to the United States Mission to the European Communities, and the view was expressed that this would facilitate relations between the two parties and would be mutually advantageous. The Acting Secretary of State noted that certain administrative and legislative actions would be necessary on the United States side to enable establishment of such representation should the Communities decide to propose it.

² For text of agreement, see *ibid.*, Jan. 12, 1959, p. 69; for a statement by Mr. Dillon, see *ibid.*, Feb. 16, 1959, p. 247.

WELCOMING REMARKS

Press release 408 dated June 9

Acting Secretary Dillon

Gentlemen, it is a great pleasure and honor for me here today to welcome you to Washington in the name of the United States Government and of the whole American people. Secretary of State Herter asked me to express to you his regrets that he has been detained in Geneva and is not able to be here himself on this memorable occasion.

I wish you a very pleasant and happy stay in our capital city here, and I am sure that, as you travel around this country and as you visit here, in your talks with our Government officials and in your talks with representatives of business, of labor, of finance, and indeed of all the people in this country that you see, you will find a great interest in the work which you are doing, the memorable work to unify the European countries and also in the great promise of economic advancement and of scientific achievement that lies at the heart of this movement of the European Communities.

We have had the pleasure of welcoming here in Washington in the past the last two Presidents of the European High Authority for Coal and Steel. It is a great pleasure at this time to welcome for the first time in Washington the Presidents of the Commissions of the European Economic Authority and of the European Atomic Energy Authority. And also to welcome here for the first time the present President of the High Authority. The fact that all three of the Presidents of these Communities, which together make up the overall European Communities, are visiting here at one time is of very special significance and lends a special significance to this occasion. I wish you once more a very hearty welcome.

M. Hallstein

Mr. Secretary, may I thank you very heartily for the friendly words of welcome you have expressed to us and for the kind invitation which the American Government has extended to us and to which we attach great importance.

The words "hands across the sea" yesterday meant the extremely generous helping hand that America gave in order to set Europe on its feet again after the terrific destruction of the last war.

The words may mean tomorrow and will mean tomorrow, as we help, a hand clasp, a hand shake, for what we are doing in Europe in order to bring about this great economic unit and a unit which will be followed by an ever greater political unity—a unity which, while not equal to conditions of economic and political life here, is comparable to them. We are not doing it merely in the selfish interests of the members of our European community. We are well aware that varied opportunities and growing power mean growing responsibility, and we are willing to take our share in the responsibility for the solution of the great problems that lie ahead of all of us. In this spirit we want to cooperate with all people of good will and primarily with your great country. We are sure of one thing: If we establish a cooperation firmly, permanently, and honestly, we shall not fail.

M. Hirsch

Mr. Secretary, we are very grateful for the official invitation of the American Government because it gives us the opportunity of explaining to the administration and also to the American people that great progress is being achieved in the process of unification of Europe. Our six countries together total the equivalent population of that of the United States. That means that we are embarked on a very important venture. We are very grateful to the American people, to its Government, for the support it gives not only to the idea of a unified Europe but also to the problems that we have to solve.

M. Finet

Mr. Secretary, it is always a great pleasure for a representative of the European Coal and Steel Community to visit Washington because of the many good friends we find here. I am the third President of the High Authority to come here. My predecessors, Jean Monnet and René Mayer, have both been guests of your Government during the past 7 years since the founding of the Community and have met here with sympathetic and understanding support after World War II to bring about one united Europe. Today the

Coal and Steel Community no longer stands alone. Along with two of its sister organizations, the Economic Community and the Atomic Energy Community, we know our efforts this past year have borne fruit. Therefore it is a particular pleasure for me to visit once again your great country, this time in the company of my distinguished colleagues, Presidents Hallstein and Hirsch. Together we represent not the old Europe in individual nation states but the new Europe that is coming into existence—a Europe in which we are all Europeans rather than Germans, Frenchmen, or Belgians. And on behalf of the Coal and Steel Community may I say that I am convinced that our visit here will be most fruitful and rewarding.

Queen Elizabeth To Visit Chicago

The Department of State announced on June 10 (press release 410) that Her Majesty Queen Elizabeth II and His Royal Highness the Prince Philip, Duke of Edinburgh, will arrive at Chicago, Ill., on July 6 aboard the royal yacht *Britannia*, accompanied by John G. Diefenbaker, Prime Minister of Canada, and Mrs. Diefenbaker.

The Queen and her party will be received with full military honors. They will be entertained at luncheon by Gov. and Mrs. William G. Stratton of Illinois, and during the day they will visit the International Trade Fair, the Museum of Science and Industry, and the Chicago Art Institute. Following a dinner given by Mayor and Mrs. Richard J. Daley of Chicago, the party will re-board the royal yacht.

Letters of Credence

Iraq

The newly appointed Ambassador of Iraq, Ali Haider Sulaiman, presented his credentials to President Eisenhower on June 11. For texts of the Ambassador's remarks and the President's reply, see Department of State press release 415 dated June 11.

The Challenge of Economic Growth in the Free World

*by Acting Secretary Dillon*¹

On this same occasion 12 years ago a great initiative was launched, looking to the reconstruction of a Western Europe struggling to rise from the ashes of war and menaced by the corrosive tide of Communist imperialism. That initiative fired the imagination of the peoples of America and Europe and inspired them to an effort of a kind never before seen in all history. The energies and resources of hundreds of millions of free men were mobilized in the task of peaceful reconstruction.

The Marshall plan is now history. To it we most certainly owe the present strength and possibly even the continued existence of the free world.

Today we are engaged in another great initiative, looking to the growth and progress of vast underdeveloped areas of the free world in Asia, Africa, the Middle East, and Latin America. The success or failure of this effort will decisively shape the future of this earth for centuries to come.

Its fulfillment will require the dedication of greater energies and resources—and over a far longer span of time—than did the reconstruction of Western Europe. For its objective is not just the restoration of a devastated area to a previous state of progress but the shining goal of helping a billion human beings to throw off their age-old bonds of poverty and ignorance.

The attainment of this goal is essential to our survival. We cannot hope to maintain our way of life surrounded by a sea of misery. The less privileged peoples are reaching out for economic growth with almost desperate determination. We

must help them find the way in peace and freedom.

The main burden of work and sacrifice will, of course, fall on the less developed countries themselves, just as it fell on Western Europe in the case of the European recovery program. They must accept the major responsibility for their own progress. But they cannot make a real start toward progress without our assistance.

Mutual Security Program

We are responding to their needs in many ways. Our major instrument is, of course, the mutual security program. Financial assistance is an important element of this program, but it is only a part of our response. For the process of growth is essentially one of altering human attitudes and improving human skills. Human beings are the basic resources of development, and it is the fulfillment of their infinitely varied potentialities which must be the major goal of development. That is why we place such emphasis on our programs of technical cooperation and on efforts to improve levels of health and education in the underdeveloped world.

At the same time that we are working with the less developed nations to help improve their human resources, we are also assisting them to meet some of their most pressing financial needs. We have varied instruments for this purpose:

Where development is just commencing or where countries have to support relatively large military establishments to maintain their security, we must, of necessity, provide assistance in the form of grants.

For nations in a somewhat more advanced stage of economic development, our primary emphasis

¹ Address made before the Harvard University Alumni Association at Cambridge, Mass., on June 11 (press release 409 dated June 10).

is on loans, often repayable in local currencies, through our new Development Loan Fund.

We are also making every effort to expand the flow of private American investment to the less developed countries, since with it goes urgently required managerial and productive skills.

This effort to help provide skills and resources is no longer just an American enterprise. It has become a cooperative venture in which we are being joined with increasing vigor by more and more of the industrialized nations of the free world. We should remember that it is largely due to the Marshall plan that most of these countries have recovered the ability to join us in aiding the less developed countries. In addition to their participation in the effective work of the World Bank and the International Monetary Fund, England, Germany, France, Italy, Japan, and Canada last year made further contributions to development through either grants or loans.

Nevertheless, as the wealthiest and most industrialized country in the world today, the United States remains the principal single free-world source for the foreign capital which the less developed countries must have to supplement their own efforts. We must continue to take the lead.

We must do this not simply as a countermove to communism nor as an exercise in charity but in the same spirit in which the Marshall plan was launched—as a cooperative endeavor based on mutual respect and interdependence. Our primary aim must not be to achieve short-term political gains or expressions of gratitude. It must be to help the less developed peoples strengthen their well-being and, thereby, their freedom and independence.

I have so far refrained from discussing the efforts of the Sino-Soviet bloc to penetrate and capture the less developed countries with trade and aid as part of its overall drive for Communist world domination. I have done so because our foreign aid programs would exist even if Lenin had never been born. For in today's shrinking world it is imperative that ways be found, first, to halt and, then, to narrow the still-growing gap between our standards of living and those of the great masses of humanity in Asia, Africa, the Middle East, and Latin America. Such a task is deeply rooted in the traditions of humanitarianism that have always motivated Americans.

Factors Influencing the Developing Countries

However, the growing economic power of the Soviet bloc is a force to be reckoned with in today's divided world. Let us look briefly at that world:

On one side we have the nations of the free world which have already achieved economic growth—not only the strongly industrialized countries of Europe and North America but also Japan, Australia, and New Zealand.

On the other side we have the Communist empire, including Russia's Eastern European satellites and Communist China and its satellites. This bloc is led by the Soviet Union, which has made remarkable economic progress in recent years.

In between lies the great underdeveloped sector of the free world, which the Communists have openly identified as the major target in their strategy of conquest. If these countries find that they cannot achieve progress in freedom, as they would prefer, they will surely be tempted to try an alternative route to their goal. And today international communism loudly proclaims just such an alternative route.

I am convinced that the events of the next 20 to 30 years will determine the state of the world for centuries ahead. I believe that the biggest single deciding factor will be the path taken by the peoples of the less developed world in their impatient efforts to achieve social and material progress.

Over the coming years the newly emerging peoples will be heavily influenced by three factors:

First, the power of example: If international communism is successful in projecting an image of the Soviet system as the magic blueprint for achieving rapid progress, it will have a powerful influence on men who are desperately seeking to lead their peoples into the 20th century.

It is undeniable that the Soviet economy today is developing faster than that of the United States. Soviet annual growth in industrial production in recent years has been about 7 to 9 percent, as compared to the long-term average of a little more than 4 percent in the United States. Soviet industrial production is now in the neighborhood of 40 percent of our own. If Soviet and American industrial production continues to expand at the average rates of recent years, by 1970

the Soviet Union's industrial output may be more than three-fifths of our own. This is certainly much less than Soviet Premier Khrushchev's boast of advancing to first place by 1970 in both absolute and per capita industrial production. However, it should be obvious that, if these trends continue, the Soviet Union will draw abreast of the United States in industrial production in the mid-1980's. Faced with this prospect, it is imperative that the United States find ways of accelerating its own economic growth while always maintaining the stability of our currency. The 5 percent annual increase recommended as a goal in recent studies would seem to be an absolute minimum.

By accelerating our domestic growth we will deflate the Soviet line that communism represents the "wave of the future." We will demonstrate to the peoples of the newly developing nations that their aspirations can best be met in a free society. And, most important of all, we will create the climate and capacity at home which will permit us to continue the long-term effort needed abroad.

The second factor which will influence the newly developing peoples is trade. The Soviet bloc has recently made substantial trade overtures to these nations. But Soviet trade can be, and is, turned on and off at will for political purposes. Once a country becomes dependent upon the Soviet Union for a large share of its trade, the Soviets do not hesitate to use this dependence as a means of blackmail and pressure.

The dangers for the underdeveloped nations are obvious. But trade they must. It is up to us to provide an increasingly attractive alternative. We must continue to take a leading part in reducing barriers to world trade. We must keep our markets open to peoples who are struggling to improve their lot, and we must strive to find workable answers to the problems they face as a result of price fluctuations in their raw material exports.

The third factor influencing the developing countries is financial and technical aid. I have already outlined our own program. Mindful of our success, the Soviet Union 5 years ago launched its own aid drive as part of a general campaign to establish the Soviet "presence" in the newly emerging areas. As with Soviet trade,

so with Soviet aid: Once a country begins to lean heavily on the Soviet Union for its development needs, political strings become very apparent and that country's independence is in jeopardy.

Measuring Up to the Challenge

This, then, is the challenge. Are we, the peoples of the economically advanced free nations, going to persevere in our efforts to help the 1 billion people in the free world's less developed areas place themselves firmly on the road to progress? Or are we going to be found wanting in this supreme test of our free and democratic way of life? If we do not measure up to the challenge, if through unwise or inadequate actions on our part we allow the newly emerging nations to be dragged one by one into the Communist orbit, then, as surely as night follows day, our own freedom cannot long endure.

This is a challenge of stamina and perseverance. It entails a coordinated, persistent effort over the next 20, 30, or perhaps even 50 years. We have never in our peacetime history faced anything to compare with it. If we succeed and these peoples choose irrevocably the path of freedom, then indeed the future will be bright. For their example will be irresistible, and international communism as we know it today will become a mere nightmare before the dawn of universal freedom.

I believe that Americans can rise to the challenge. They are at their best in responding to such an opportunity. For it provides that "remote and ideal object which captivates the imagination by its splendor and the reason by its simplicity," of which Lord Acton spoke and which, as that British historian said so eloquently, evokes an energy that is not inspired by lesser and more proximate goals.

But, if we are to stay the course, there must be much greater and deeper knowledge of world events among our citizenry. Unfortunately such widespread knowledge of world affairs is lacking in our country today. This is why many of our people do not fully comprehend the crucial importance of our foreign aid program to our future.

Let me urge each and every one of today's graduates to study and to travel. You must *work* to keep up your knowledge of world affairs. You *must not, cannot*, permit yourselves to become

buried in the local scene. Our country looks to college graduates for leadership. The promotion of a better understanding of foreign affairs is a field where you can exercise leadership no matter what your occupation.

The task of preserving freedom through perseverance has been laid upon my generation and, to an even larger extent, upon your generation. We must meet this task or foreclose our country's future. We cannot simply pass along the assignment to our successors. It will not wait.

We must see the task before us in its historic perspective. We must not permit ourselves to be diverted from it by our involvement in the day-to-day problems of life in a complex world. America owes what it is today to our profound and enduring faith in freedom, justice, and equality of opportunity for all men, everywhere. This is the American message and promise. We must never allow ourselves to forget it.

U.S. Informs Cuba of Views on Agrarian Reform Law

Press release 417 dated June 11

The Department of State instructed the American Ambassador at Habana, Philip W. Bonsal, to deliver to the Cuban Minister of State, Roberto Agramonte, on June 11 a note stating certain views of the U.S. Government on the Cuban Agrarian Reform Law. The substance of the note is as follows.

I have the honor to refer to the Cuban Agrarian Reform Law, the text of which was published in the extraordinary special edition of the *Official Gazette* of June 3. This law, which is now being given detailed study by my Government, deals with matters of deep and legitimate interest to the United States consumers of Cuban products and to United States investors in Cuba.

Preliminary published drafts of this legislation have already given rise to such exchanges of views as those held in Washington on May 27 between Ambassador Dihigo and Assistant Secretary Rubottom and on June 1 between Your Excellency and the undersigned. As stated by the representatives of the United States in both these conversations, the Government of the United States understands and is sympathetic to the ob-

jectives which the Government of Cuba is presumed to be seeking to attain through this law. Various United States programs of technical cooperation and assistance in the agricultural field undertaken with other countries of this hemisphere and elsewhere have aimed at the same goal of encouraging greater agricultural production, new crops, and crop diversification so as to raise the standard of living of the inhabitants of rural areas and thereby contribute to the overall economic growth of those countries. The Government of the United States recognizes that soundly conceived and executed programs for rural betterment, including land reform in certain areas, can contribute to a higher standard of living, political stability, and social progress. In various international bodies over the past years my Government's position on this subject has been consistent and unequivocal.

At the same time it is evident that a widespread redistribution of land in a manner which might have serious adverse effects on productivity could prove harmful to the general economy and tend to discourage desirable private and public investment in both agriculture and industry. From the viewpoint of the interests of consumers in the United States of Cuban products and of private United States investors, present and prospective, in Cuba, it is the confident hope of the Government of the United States that agrarian reform in Cuba will be so carried out as not to impair or reduce but rather to increase the productivity of the Cuban economy.

The United States recognizes that under international law a state has the right to take property within its jurisdiction for public purposes in the absence of treaty provisions or other agreement to the contrary; however, this right is coupled with the corresponding obligation on the part of a state that such taking will be accompanied by payment of prompt, adequate, and effective compensation. United States citizens have invested in agricultural and other enterprises in Cuba for many years. This investment has been made under several Cuban Constitutions, all of which contained provisions for due compensation in case of expropriation, including the Cuban Constitution of 1940 which provided that should property be expropriated by the state there must be prior payment of the proper indemnification in cash, in the amount judicially determined.

The wording of the Cuban agrarian law gives serious concern to the Government of the United States with regard to the adequacy of the provision for compensation to its citizens whose property may be expropriated. In view of the many occasions in the past in which consultation on problems affecting both countries has proved mutually beneficial I regret that to date the Government of Cuba has found no opportunity to hear the views of those United States investors in Cuba whose interest would appear to be adversely affected.

Many of these United States interests have been a part of the Cuban economy over a long period of time. They have contributed to the progress and expansion of that economy. So far as the Department of State is aware they have complied with their obligations under Cuban law. It is respectfully suggested to Your Excellency that they are entitled to considerate treatment because they are actually and potentially constructive factors in the expanding Cuban economy which, it is understood, Your Excellency's Government seeks to achieve.

Because of the traditional friendly relations and close economic ties between our two countries, Your Excellency will, I am sure, appreciate and understand the hope of the United States Government that it may be possible to hold further exchanges of views from time to time as required on the effects of the Agrarian Reform Law on matters which are of deep mutual concern to our two Governments.

United States Replies to Cuban Sugar Offer

Press release 413 dated June 10

The Department of State instructed the American Embassy at Habana to deliver to the Cuban Government on June 10 a note in reply to a cable sent to Secretary of Agriculture Ezra T. Benson by the Prime Minister of Cuba, Dr. Fidel Castro, in which the latter offered to sell to the United States 8 million tons of sugar in 1961 at 4 cents a pound. The substance of the note is as follows.

The procurement of sugar for consumption in the United States is made through private trade channels, and not through governmental agencies,

under quotas established pursuant to the Sugar Act of 1948 as amended. We do not know whether private enterprises would be interested in entering into purchase contracts that far in advance for sugar not yet produced.

There is no reason for assuming that the United States will need as much as 8 million tons of sugar from Cuba in 1961. Current total requirements of our country are estimated at 9,200,000 short tons, raw value. Of this, 4,912,000 tons are to be supplied by domestic areas, 980,000 by the Republic of the Philippines and 248,000 tons by full duty countries. The current quota from Cuba amounts to approximately 3,060,000 tons. Our consumption appears to be increasing at a rate of about 150,000 tons per year.

Although the present sugar legislation extends only through 1960, the Executive Branch of this Government could certainly not make any recommendation to the United States Congress that it enact new legislation that would either destroy the domestic sugar producing industry or prohibit imports from foreign countries other than Cuba.

Economic Discussions Between the United States and Poland

Press release 412 dated June 10

DEPARTMENT ANNOUNCEMENT

Representatives of the Governments of the United States and Poland on June 10 entered into credit and sales arrangements providing for the shipment to Poland of surplus agricultural commodities and poliomyelitis vaccine. These arrangements will assist the Polish Government to meet immediate requirements for certain essential agricultural products. They will also permit orders to be placed now for deliveries of poliomyelitis vaccine to meet requirements this fall. Discussions will continue with respect to the request of the Polish Government for additional purchases of agricultural commodities, other raw materials, and agricultural and industrial machinery and equipment in the United States under credit or local-currency sales arrangements.

An amount of \$44 million is provided for in an agreement for the sale to Poland of surplus agri-

cultural commodities for local currency (Polish zlotys) pursuant to the Agricultural Trade Development and Assistance Act, as amended (Public Law 480). In addition an amount of \$6 million will be extended to Poland in the form of a line of credit, to be administered by the Export-Import Bank of Washington.

Under the terms of Public Law 480 the United States will sell to Poland for local currency wheat, animal feed grains, cotton, vegetable oils, and nonfat dry milk pursuant to an agreement entered into between the two Governments. The export market value of the commodities provided for under this agreement, together with transportation costs for products moved in U.S. flag vessels, is \$44 million.

The U.S. Government will extend to the Polish Government a line of credit of \$6 million, to be administered by the Export-Import Bank of Washington, for the purchase of poliomyelitis vaccine and for the payment of ocean transportation costs of the agricultural commodities. The credit will be repayable in dollars at 4½ percent. The principal amount of the credit will be amortized over a period of 20 years, beginning in 1964.

The agreement under the Agricultural Trade Development and Assistance Act, together with the Export-Import Bank credit of \$6 million, will enable Poland to make the following purchases in the United States:

Commodity Description	Quantity (approximate) (metric tons)	Export market value (approximate) (million dollars)
<i>Surplus Agricultural Commodities Agreement (Public Law 480)</i>		
Wheat.....	200,000	14.1
Barley.....	200,000	11.0
Corn and/or grain sorghums.....	11,500	.6
Cotton.....	170,500	8.8
Soybean oil and/or cottonseed oil.....	15,000	4.7
Nonfat dry milk.....	5,000	.8
Estimated cost of ocean transportation.....		4.0
		44.0
<i>Export-Import Bank Credit</i>		
Poliomyelitis vaccine.....		2.0
Estimated cost of ocean transportation.....		4.0
		6.0

¹ Bales.

TEXT OF AGREEMENT

Surplus Agricultural Commodities Agreement Between the United States of America and the Polish People's Republic

The Government of the United States of America and the Government of the Polish People's Republic,

Recognizing the desirability of expanding trade in agricultural commodities between their two countries in a manner which would not displace usual marketings of the United States of these commodities or unduly disrupt world prices of agricultural commodities;

Considering that the sale for zlotys of agricultural commodities produced in the United States will assist in achieving such an expansion of trade;

Desiring to set forth the understandings which will govern the sales of agricultural commodities by the Government of the United States of America pursuant to Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, and the measures which the two Governments will take individually and collectively in furthering the expansion of trade in such commodities;

Have agreed as follows:

ARTICLE I

Sales for Local Currency

Subject to the issuance by the Government of the United States of America and acceptance by the Government of the Polish People's Republic of purchase authorizations, the Government of the United States of America undertakes to finance the sale to purchasers authorized by the Government of the Polish People's Republic of the following agricultural commodities pursuant to Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended,

Commodity	Value (million dollars)
Wheat.....	\$14.1
Barley.....	11.0
Corn and/or grain sorghums.....	.6
Cotton.....	8.8
Soybean oil and/or cottonseed oil.....	4.7
Nonfat dry milk.....	.8
Ocean transportation.....	4.0
Total.....	\$44.0

Purchase authorizations will be issued not later than 90 calendar days after the effective date of this Agreement. They will include provisions related to the procurement and delivery of commodities, the time and circumstances of the deposit of the zlotys accruing from such sale, and other relevant matters.

ARTICLE II

Uses of Zlotys

1. The two Governments agree that the zlotys accruing to the Government of the United States of America as a consequence of the sales made pursuant to this Agreement will be used by the Government of the United

States of America, in accordance with Section 104 of the Agricultural Trade Development and Assistance Act of 1954, as amended, to help develop new markets for United States agricultural commodities under subsection (a) thereof; to finance the purchase of goods or services for other countries under subsection (d) thereof; to pay United States obligations under subsection (f) thereof; to finance educational exchange activities under subsection (h) thereof; to finance the translation, publication and distribution of books and periodicals under subsection (i) thereof; and for other expenditures by the Government of the United States of America under subsections (k), (l), (m), and (n) thereof. Uses under subsections (k), (l), (m), and (n) shall be subject to legislative action by the Congress of the United States of America.

2. The zlotys accruing under this Agreement shall be expended by the Government of the United States of America, for the purposes stated in paragraph 1 of this Article, in such manner and order of priority as the Government of the United States of America shall determine. It is understood that, with respect to the purchase of goods or services for other countries, the types, quantities and prices will be subject to negotiation between the two Governments.

ARTICLE III

Deposit of Zlotys

1. The amount of zlotys to be deposited to the account of the Government of the United States of America shall be the dollar sales value of the commodities reimbursed or financed by the Government of the United States of America converted into zlotys at the highest of any rate of exchange (i.e., the largest number of zlotys per U.S. dollar) established by the Government of the Polish People's Republic or any agency thereof, prevailing on the dates of dollar disbursements by the Government of the United States of America. Such dollar sales value shall include ocean freight and handling reimbursed or financed by the Government of the United States of America under this Agreement except that it shall not include any extra cost of ocean freight resulting from a United States requirement that the commodities be transported on United States flag vessels.

2. The two Governments agree that the following procedure shall apply with respect to the zlotys deposited to the account of the Government of the United States of America under this Agreement.

(a) On the date of the deposit of such zlotys to the account of the United States they shall, at the same rate of exchange at which they were deposited, be converted and transferred to a special dollar denominated account to the credit of the United States Government in the National Bank of Poland.

(b) Withdrawals in zlotys from such special dollar denominated account by the United States for uses referred to in Article II of this Agreement other than the purchase of goods or services for other countries shall be paid by the National Bank of Poland at the highest of any rate of exchange (i.e., the largest number of zlotys per U.S. dollar) established by the Government of the

Polish People's Republic or any agency thereof, prevailing on the date of the withdrawal, provided that if such rate is more appreciated than the rate at which zlotys were deposited under paragraph 1 of this Article, the rate in paragraph 1 shall apply.

(c) Payment for purchases of goods or services for other countries referred to in Article II of this Agreement shall be made by reducing the balance in the dollar denominated account by an amount equal to the dollar prices of such purchases agreed upon by the two Governments.

(d) If any unused balance remains in such special dollar denominated account on and after June 1, 1964, the Government of the Polish People's Republic agrees that if the United States Government shall so elect, the National Bank of Poland will sell to the Government of the United States the sum of \$1,690,000 in dollar exchange annually, beginning on June 1, 1964, and on each succeeding June 1, such dollar exchange to be paid for by reducing the balance in the dollar denominated account by the same amount.

ARTICLE IV

General Undertakings

1. The Government of the Polish People's Republic agrees that it will take all possible measures to prevent the resale or transshipment to other countries, or the use for other than domestic purposes (except where such resale, transshipment or use is specifically approved by the Government of the United States of America), of the surplus agricultural commodities purchased pursuant to the provisions of this Agreement, and to assure that the purchase of such commodities does not result in increased availability of these or like commodities for export to other countries.

2. The two Governments agree that they will take reasonable precaution to assure that sales or purchases of surplus agricultural commodities pursuant to this Agreement will not unduly disrupt world prices of agricultural commodities or displace usual marketings of the United States of America in these commodities.

ARTICLE V

Consultation

The two Governments will, upon the request of either of them, consult regarding any matter relating to the application of this Agreement or to the operation of arrangements carried out pursuant to this Agreement.

ARTICLE VI

Entry into Force

This Agreement shall enter into force upon signature.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present Agreement.

DONE in duplicate at Washington in the English and Polish languages this tenth day of June, 1959.

For the Government of the United States of America:

W. T. M. BEALE

For the Government of the Polish People's Republic:

TADEUSZ ŁYCHOWSKI

Austria Establishes Fund To Settle War Claims of Political Persecutees

Press release 387 dated June 3

The Governments of Austria and the United States exchanged notes on May 30¹ regarding the establishment by Austria of the Fund for the Settlement of Certain Property Losses of Political Persecutees (*Fond zur Abgeltung gewisser Vermoegensverluste politisch Verfolgter*). The fund will have a capital in the equivalent amount of \$6 million for the settlement of claims of persons who were subject to racial, religious, or political persecution in Austria from March 13, 1938, to May 8, 1945, and whose bank accounts, securities, mortgages, or money were the subject of forced transfers or were confiscated by Nazi authorities. The fund will also settle claims of persecutees as defined above for their payments of the discriminatory taxes known as *Reichsfluchtsteuer* and *Suehneleistung der Juden (JUVA)*. The Austrian Government will appropriate an additional amount of approximately \$600,000 to pay the administrative expenses of the fund. The fund will be exempt from Austrian taxes, and payments from the fund will not constitute income on which the recipients are liable for Austrian taxes.

All persecutees who sustained losses in the above-enumerated categories are entitled to file claims regardless of their present residence. Claim forms will be available at the Austrian Embassy, 2343 Massachusetts Ave. NW., Washington, D.C., or at the nearest Austrian consulate after the enactment of Austrian legislation implementing the agreement. Austrian consulates are located at New York, Chicago, Detroit, Portland, Oregon, San Francisco, Los Angeles, Dallas, Miami, Atlanta, and Cleveland, and inquiries for further information should be directed to Austrian representatives.

Pension and Insurance Policy Claims

Claimants who were subject to racial, religious, or political persecution in Austria from March 13, 1938, to May 8, 1945, and whose pension rights or insurance policies were confiscated in Austria are reminded of the method of filing claims referred to in the Department's press release

¹ Not printed.

568 of September 29, 1958.² The deadline for the filing of insurance policy claims is June 30, 1959.

Certain Agricultural Property

The Austrian Government has agreed to submit legislation to the Austrian Parliament which will provide adequate compensation within the meaning of section 23, paragraph 3, of the Third Austrian Restitution Law to those claimants under that section of the law who have not accepted other settlements of their claims for certain agricultural property and who were subject to racial, religious, or political persecution in Austria from March 13, 1938, to May 8, 1945.

Compensation for Confiscated Furniture and Certain Other Personal Property

The Austrian Government has enacted an amendment (Austrian Federal Law 99 of March 18, 1959) to the War and Persecution Property Damage Law (Austrian Federal Law 127 of 1958), which was referred to in Department of State press release 568 of September 29, 1958. The amendment in effect increases the amounts which are to be awarded to certain claimants residing abroad for confiscated furniture and certain other personal property. Official forms for the filing of claims under the basic law, which were to have been available in 1958 at the Austrian Embassy at Washington and at Austrian consulates in the United States, were not distributed pending the enactment of the 1959 amendment. The deadline for the filing of claims has been extended from June 30, 1959, to December 31, 1959. Copies of these official forms, which must accompany claims, are now available at the Austrian Embassy or at Austrian consulates. The forms contain detailed information and instructions concerning the filing of claims under the provisions of the War and Persecution Property Damage Law, and inquiries for further information should be directed to Austrian representatives.

Extension of the Time Limits for Filing of Claims for Restitution of Heirless or Unclaimed Expropriated Property

The Austrian Government has agreed to enact legislation which will extend the time limit for

² BULLETIN of Oct. 20, 1958, p. 619.

claimants who were subject to racial, religious, or political persecution in Austria from March 13, 1938, to May 8, 1945, and who failed to file a restitution claim within the time limits provided in Austrian restitution laws for the restitution of property, legal rights, and interests which are now considered in Austria to be heirless or unclaimed expropriated property. These claimants will then be able to obtain satisfaction of their claims, as provided for in Austrian restitution laws, providing such claims are filed within 3 months after receipt by a claimant of a request to file a claim or

in other cases within 1 year after the enactment of the pertinent Austrian legislation.

The Department of State is not in a position to be of assistance in preparation or filing of individual claims. Such claims are a private matter between the claimant and the Government of Austria and must be the responsibility of the claimant. Accordingly, any inquiries regarding specific cases should be addressed to the competent Austrian offices referred to above.

Measurement of the U.S. Territorial Sea

by G. Etzel Pearcy
The Geographer

The territorial sea of any state is an offshore zone measured from the coast. Over it sovereignty of the state is complete, although ships of other states are normally accorded the right of innocent passage. The United States traditionally recognizes a zone of 3 nautical miles in breadth, giving it a territorial sea slightly larger than the combined areas of Massachusetts, Connecticut, Rhode Island, and New Jersey.¹

The actual area is of no great significance. In fact, a small territorial sea supports the freedom-of-the-seas concept by limiting the extent of offshore sovereignty. On the other hand, definite knowledge as to whether any given offshore point lies in or beyond the territorial sea may be of the utmost consequence to the United States, as in the case of unwarranted action on the part of a ship flying a flag of another state. A mile, or even a few yards, may mean the difference between a routine maritime operation and an unfortunate incident.

In the same vein, fishing rights within the territorial sea are restricted to the coastal state,

whereas beyond it the general principle of freedom of fishing appertains. There is mounting interest on the part of certain states for the establishment of a zone beyond and contiguous to the territorial sea in which the coastal state would have exclusive fishing rights. International acceptance of such a concept, or some variation on it, depends upon action at a future law-of-the-sea conference.

In order to have the territorial sea charted as exactly 3 miles in breadth at any point along the coast, the following rule must be observed: Every point on the outer limit of the territorial sea must be plotted precisely 3 nautical miles from the nearest point on the coast along which it is measured. Such a rule not only provides a sound base for delineating a geometrically perfect territorial sea but has practical application as well. For example, it fulfills the requirements of any ship's captain who wants to know his position. By determining the distance of the ship from the coast, he can ascertain whether or not he is in the territorial sea. Any other method of plotting the line denoting the outer limit of the territorial sea would not meet the requirement of having every point on the line exactly 3 miles from the closest

¹ The total area of the territorial sea of the continental United States, excluding Alaska, amounts to 17,321 square nautical miles, or 23,023 square statute miles.

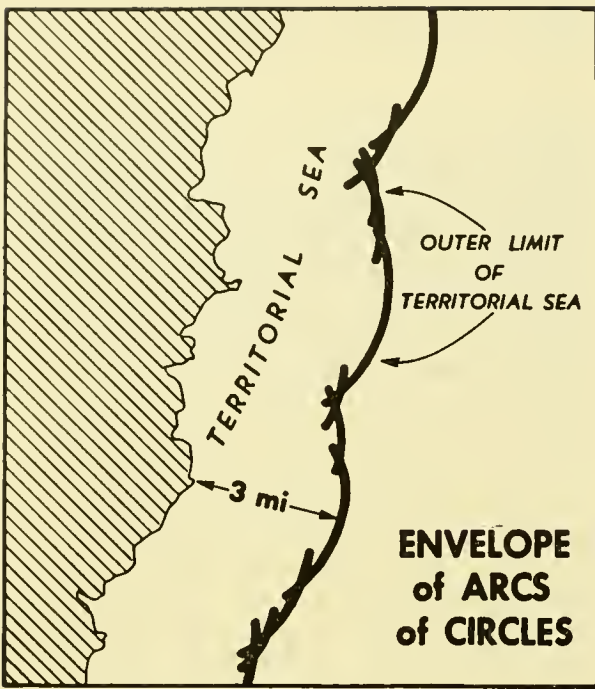


Figure 1

coastal point. For example, a line parallel to the coast, or one made up of segments measured from selected coastal points, includes irregularities that depart from a zonal breadth of 3 miles.

The outer limit of the territorial sea, following the above rule, can be marked on a chart by constructing an envelope of arcs of circles, as illustrated in figure 1. Arcs of circles with radii of 3 miles are swung from every point along the coast in order to project the outermost limit as far seaward as possible. In this way every point on the line denoting this limit is neither more than nor less than 3 miles from the closest coastal point.

It would seem, then, that the formula for delineating the territorial sea would be relatively simple, with the coast itself serving as the baseline from which to measure. To a degree this concept is true, for the low-tide line along the coast as shown on official large-scale hydrographic charts of the coastal state is recognized in international law as constituting the normal baseline. In order to fully explore the cartographic problems of the coast, the territorial sea of the United States was plotted by the author. In all cases U.S. Coast and Geodetic Survey charts served admirably for the purpose. A scale of 1:80,000 was used for the Atlantic and Gulf coasts, on which 3 nautical miles are represented by a distance of

2.7 inches. For the Pacific coast the largest scale available for complete coverage was approximately 1:180,000, which likewise permits careful consideration of coastal configuration.²

The complex configuration of coastlines may in places make most difficult the measurement from a point on the shore to one 3 miles out. Shoreline indentations, mouths of rivers, bays, islands, isles, shoals, reefs, and other natural coastal features create problems awkward to resolve by formula. In addition, manmade features such as breakwaters, piers, and other harbor installations may modify the exact placement of a baseline from which to measure the territorial sea. When important issues are at stake, such as whether or not a high-seas passage between the mainland coast and an island is pinched off by the territorial sea, the precise determination of a baseline is of international concern.

Where a coastline is broken by water inlets or outlets, it is necessary to substitute a geometric baseline, for there is no actual shore from which to measure the breadth of the territorial sea. A river emptying into the ocean is a commonplace example of a break in the coastline. Here a straight line extending across the mouth of the river, referred to as a "closure," provides the link necessary for a continuous coastal baseline. Also, island complexes may in places require straight baselines, or closures, to be drawn across intervening bodies of water.

Figures 2 to 9 should prove helpful in illustrating principles involved in establishing any baseline other than along the low-water mark of the coast itself. These principles are drawn from the Convention on the Territorial Sea and the Contiguous Zone as adopted at the Law of the Sea Conference at Geneva, April 27, 1958.³

Construction of the Baseline

In order to distinguish a bay from a mere curvature of the coastline, the semicircle test is made, first by drawing a straight line between the natural entrance points of the indentation. The water thus closed off forms a bay if its area is as large as, or larger than, that of a semicircle the

²The U.S. Coast and Geodetic Survey charts used in measuring the territorial sea were Atlantic and Gulf coasts, 1200 series; Pacific coast, in the 5000 series. A total of 89 charts were utilized.

³For text, see BULLETIN of June 30, 1958, p. 1111.

diameter of which is equal in length to the closing line. In figure 2 the upper indentation qualifies as a bay; the lower one does not. Monterey Bay along the coast of California is an example of a test case. At first sight this indentation appears to be no more than a concave coastline, but because of the northward projection of Point Pinos at the southern entrance point the water within Monterey Bay is sufficient to pass the semicircle test.

The Convention on the Territorial Sea and the Contiguous Zone limits the entrance of any bay to not more than 24 nautical miles. In event that the distance between the natural entrance points of a bay exceeds that distance, a straight baseline of 24 miles is drawn within the bay in such a way as to enclose the maximum water area that is possible with a line of that length. Figure 3 illustrates the principle diagrammatically. The rule has practical application in Florida, where a closing line 24 miles in length extends from East Cape to Vaca Key to close off the maximum amount of water between the coast of Florida and the chain of keys curving south and east.

Bays, because of the placement of islands in the vicinity of their entrances, may have several channels of ingress. Under such circumstances

an individual closing line is drawn across each entrance. To be identified as a bay, the area of water thus closed off must be as large as, or larger than, that of a semicircle the diameter of which is equal to the sum total of the individual closing lines. A bay with islands which give it five entrances is shown in figure 4. Situations of this kind abound along some portions of the coast. The one of most impressive dimensions is Mississippi Sound, partially closed off by a series of sandy islands.

Islands have their own territorial seas, which may or may not coalesce with the territorial sea of the mainland, as illustrated in figure 5. Islands within 6 miles of each other have territorial seas which of necessity overlap and in steppingstone fashion may extend the sovereignty of the state over distances far beyond the mainland coast. This situation is true off the coast of Massachusetts, where the territorial sea of Martha's Vineyard coalesces with that of the mainland as well as with that of Nantucket Island. As a result territorial waters extend some 30 miles seaward from the Massachusetts coast opposite Martha's Vineyard. In contrast, the channel islands, off the coast of southern California (Catalina, San Clemente, Santa Rosa), are too distant

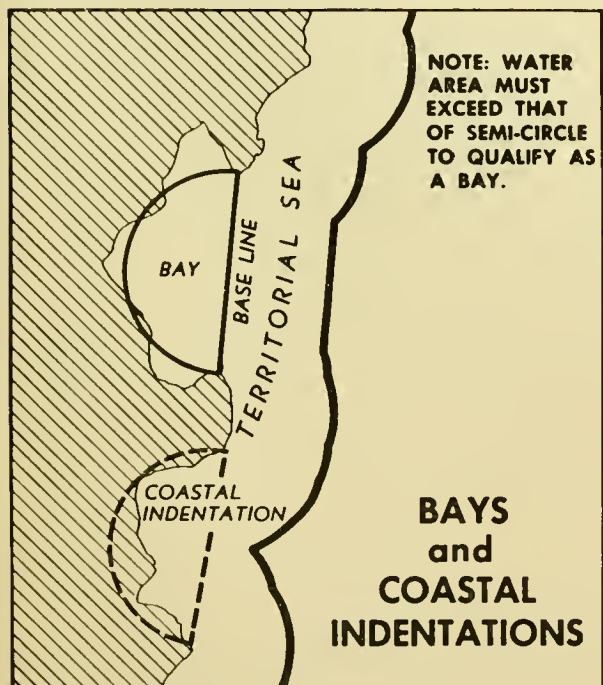


Figure 2

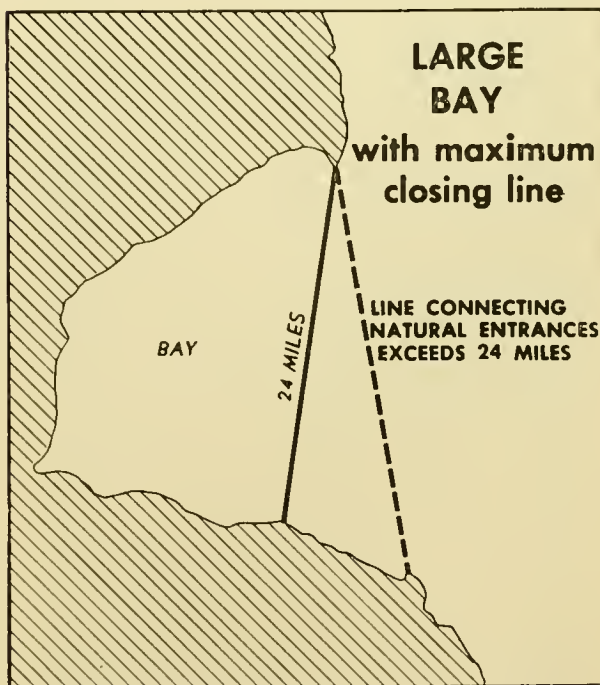


Figure 3

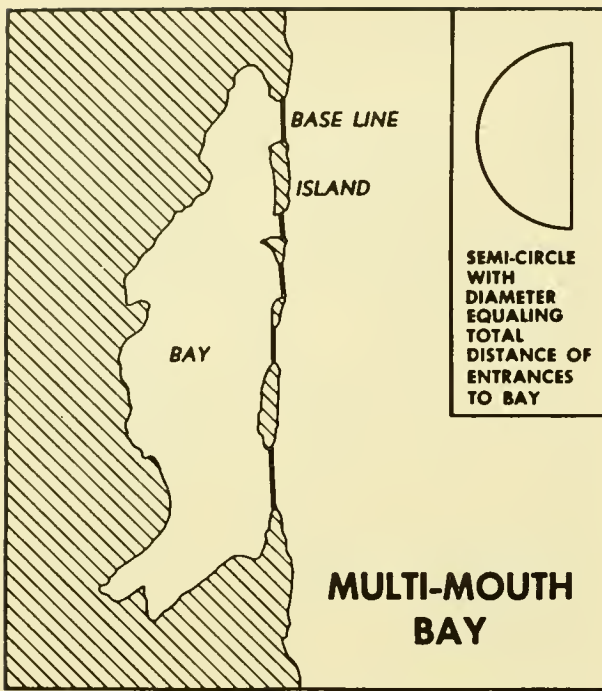


Figure 4

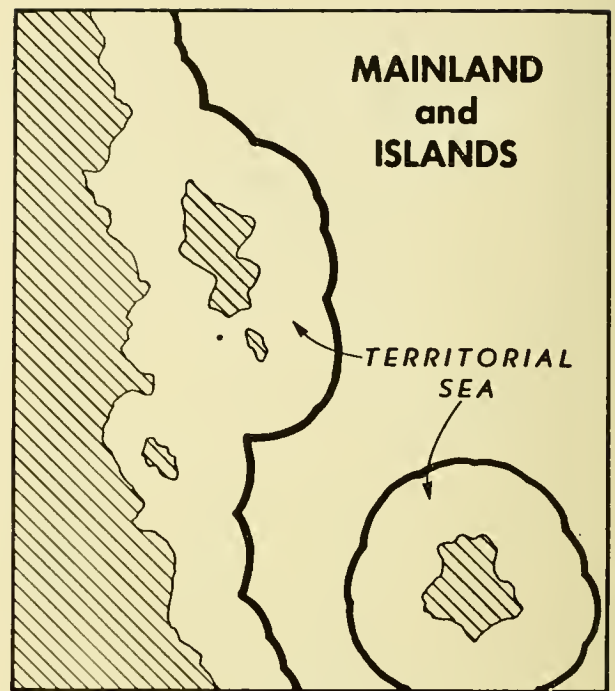


Figure 5

from the coast for their territorial seas to merge with that of the mainland. Likewise, Block Island, off the coast of Rhode Island, is more than 6 miles from the nearest land along the New England coast.

“Low-tide elevation” is a term referring collectively to shoals, reefs, and drying rocks—off-shore features which are exposed at low tide but submerged at high tide. Such features are not entitled to territorial seas of their own. However, if a low-tide elevation lies within or partially within a territorial sea of the mainland or an island, its low-water line may be used as a baseline for measuring the breadth of that sea. Figure 6 shows the distinction between low-tide elevations which have no effect on the breadth of the territorial sea and those which do. Few areas along the coast of the United States have low-tide elevations which enlarge the territorial sea to any appreciable extent. Rocks off the shores of Maine account for most instances where they do exist.

Wherever a river or stream empties into the sea, it is easy to construct a baseline across its mouth. But in the case of a delta it may be necessary to construct many closures. A classic example of such a situation is the delta of the Mississippi River in Louisiana, where distribu-

taries by the dozens empty into the Gulf of Mexico. Figure 7 shows a small segment of the Mississippi Delta where numerous closures form the greater part of the baseline. Any given distributary has its own closure unless it empties into a body of internal water lying landward from the baseline. If the mouth of a river forms an estuary, the same rule for drawing a closing line across its natural entrance applies as for a bay.

The outermost of certain permanent installations associated with port facilities are construed as parts of baselines, and the breadth of the territorial sea is measured from them. Piers and breakwaters are the most common examples. They must be connected with the shore itself or an installation on the shore. Only in exceptional circumstances do harborworks of this type push the baseline seaward more than the length of a pier. A breakwater extending into the sea in such a way as to protect a shallow coastal indentation from winds and rough waters would be a case in point. More commonly the effect is minor, as at the entrance of San Diego Bay where a short breakwater is not reflected in the outer limit of the territorial sea (figure 8). Buoys, lights attached to underwater rocks, or other devices for maritime safety do not affect the breadth of the territorial sea. Bridges along

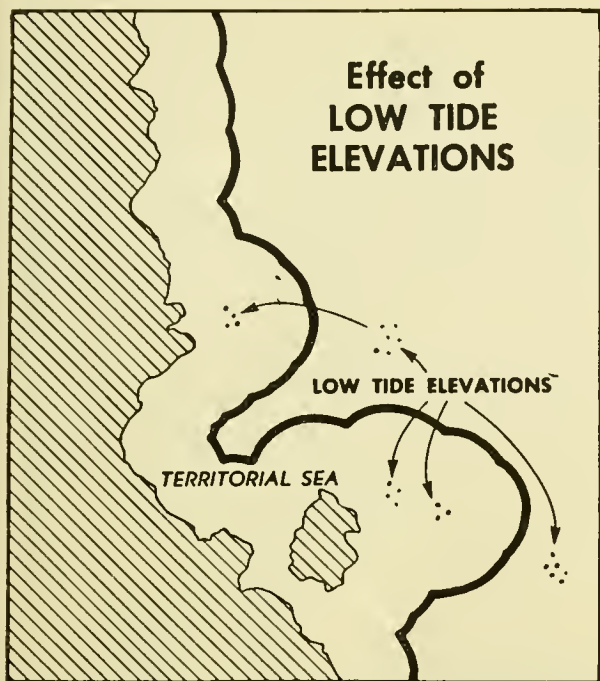


Figure 6



Figure 7

the periphery of a coast, such as those connecting the keys on U.S. Highway No. 1 between Miami and Key West, are not covered by a law-of-the-sea convention, but only in rare situations would they materially affect the baseline.

Actual situations along the coast of the United States frequently fail to conform to the simplified examples discussed and illustrated above. A highly irregular coastline with numerous offshore islands may call for a baseline involving a combination of rules that are difficult to apply. For example, what placement must an island have with respect to the entrance of a bay to be considered as part of the perimeter of that bay? The diagram in figure 9 represents a portion of the coast of Maine where islands and bays must be taken into account jointly in establishing a baseline. The resulting baseline along a coast of this type is usually a succession of straight closing lines alternating with stretches of the shoreline itself.

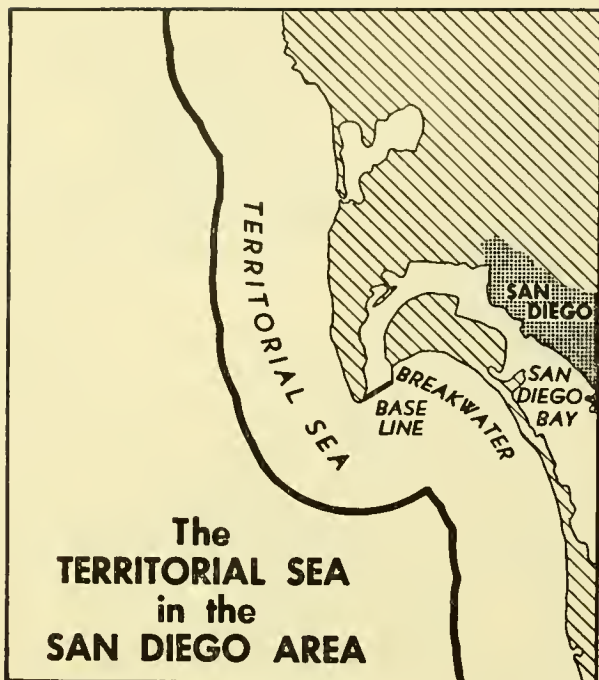
Ratios of Baseline to Territorial Sea

If the coast were to extend as a perfectly straight line for a mile, there would be adjacent to it a territorial sea comprising 3 square miles. It follows that in such an instance the ratio of the length of the baseline to the area of the terri-

torial sea would be 1:3. This situation is approximated along many stretches of the Atlantic and Gulf coasts. For example, in Florida, between the mouth of the St. Johns River (water entrance to Jacksonville) and Miami, the coast runs for 280 nautical miles without any but the most minor irregularities other than the bulge at Cape Canaveral. Here the ratio between the baseline and the territorial sea departs but slightly from a 1-to-3 ratio.

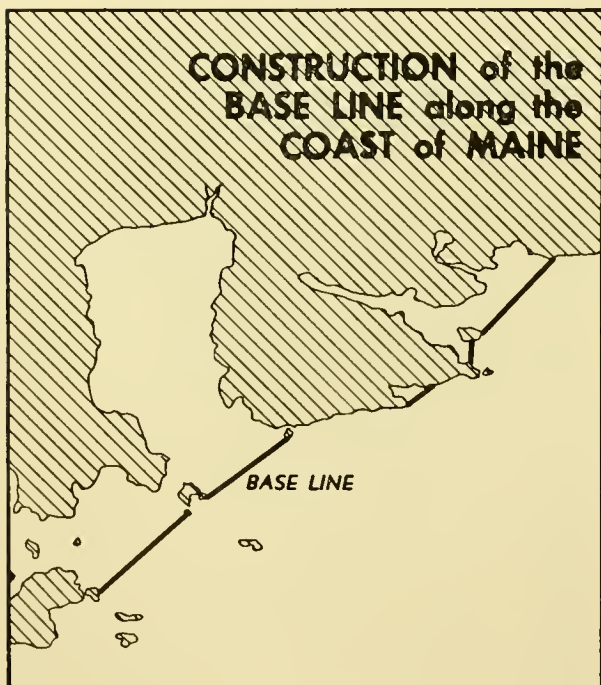
Offshore islands tend to increase the area of the territorial sea out of proportion to the length of the baseline along the mainland coast. A ratio of 1:4, 1:5, or even higher is possible given certain insular patterns. Islands that in steppingstone fashion extend territorial waters seaward, either as continuous areas or with breaks, are most effective in increasing the ratio. The large area of the territorial sea in relation to coastal distance is readily apparent in figure 10.

It is less common to find ratios lower than 1:3 between baselines and the territorial sea. Only under exceptional circumstances do they run below 1:2.75. The most common incidence of a ratio less than 1:3 is a moderately irregular coast with no offshore islands. The outer limit of the territorial sea along such a coast is more regular than the baseline itself. The complexities of the



**The
TERRITORIAL SEA
in the
SAN DIEGO AREA**

Figure 8



**CONSTRUCTION of the
BASE LINE along the
COAST of MAINE**

Figure 9

baseline thus become less and less evident as one measures distance seaward through the territorial sea, resulting in less area along the outer margin than along the shoreline itself. A coastal situation illustrating a low ratio appears in figure 11,

though the diminished area of the territorial sea is hardly apparent to the eye. A highly irregular coast would normally be less likely to reduce the ratio, for the straight lines needed to close off deep indentations (legal bays) would tend to straighten the overall trend of the baseline.

A breakdown of the territorial sea of the continental United States by States (excluding Alaska) gives a better idea of coastline types and their effect on offshore measurement.⁴ The following tabulation presents the length of the baseline along each State as well as the area of the resulting territorial sea—statistical data pertinent to compilation of the ratio of the former to the latter:

**THE U.S. TERRITORIAL SEA
(by States)**

<i>State</i>	<i>Length of baseline [Nautical miles]</i>	<i>Area [Nautical square miles]</i>	<i>Ratio¹</i>
Maine -----	232.75	1,015.6	1 : 4.363
New Hampshire -----	14.00	51.8	1 : 3.700
Massachusetts -----	205.00	952.5	1 : 4.646
Rhode Island -----	43.50	193.0	1 : 4.437
Connecticut -----	7.00	18.2	1 : 2.614
New York -----	114.00	342.2	1 : 3.001
New Jersey -----	121.00	361.8	1 : 2.990
Delaware -----	26.00	75.9	1 : 2.919
Maryland -----	27.25	83.0	1 : 3.046
Virginia -----	106.75	309.7	1 : 2.901
North Carolina -----	287.75	856.2	1 : 2.975
South Carolina -----	176.75	525.6	1 : 2.974
Georgia -----	99.50	289.3	1 : 2.908
Florida -----	1,207.75	4,124.0	1 : 3.415
Alabama -----	43.00	143.8	1 : 3.344
Mississippi -----	41.75	122.1	1 : 2.925
Louisiana -----	442.75	1,751.8	1 : 3.957
Texas -----	338.75	991.8	1 : 2.928
California -----	847.25	3,638.3	1 : 4.294
Oregon -----	286.50	944.5	1 : 3.297
Washington -----	158.75	529.7	1 : 3.337
United States -----	4,827.75	17,320.8	1 : 3.586

¹ Ratio of the length of the baseline in miles to the area of the territorial sea in square miles.

It can be noted that among the States the baseline-to-territorial-sea ratio of Florida most nearly approaches that of the United States average—1 : 3.415 as compared to 1 : 3.586. The smooth east coast and irregular west coast of that State pull down the ratio, while the numerous keys in the

⁴ In order to apportion the territorial sea among the States of the United States, each interstate boundary was projected seaward as a median line, every point of which is equidistant from the nearest points on the baselines of each of the two States concerned. The same method was used in distinguishing the territorial sea of the United States from that of Canada and that of Mexico.

extreme south have the opposite effect of increasing the area of the territorial sea in proportion to the length of the baseline.

Ten States have coastal baselines sufficiently regular to register a ratio between 1:2.900 and 1:3.100. New York State with a ratio of 1:3.001 has what appears to be the most regular of all. The nearly straight southern shoreline of Long Island plus the straight-line closure of New York Harbor prevent much deviation from a symmetrical 1:3 ratio.

Massachusetts, largely because of Martha's Vineyard and Nantucket, is the State with the highest ratio—1:4.646. The channel islands off the coast of California, including Catalina, give a high ratio to that State also—1:4.294. Conversely, Connecticut, with the lowest ratio of the 21 States, earns it by a baseline virtually perpendicular to that of neighboring Rhode Island. A block of the territorial sea must be divided between the two States to prevent overlapping, Connecticut thus losing a triangular segment of what would normally be attributed to it.

Coastline Measurement

From the above discussion and examples it is evident that irregularity of a coastline in itself does not imply an irregular baseline. Bays, estuaries, sounds, lagoons, and other coastal indentations in most instances insure use of a straight baseline segment to close off internal waters, which by international law are not a part of the territorial sea. For example, Cape Cod Bay, Long Island Sound, Delaware Bay, Chesapeake Bay, Pamlico Sound, Galveston Bay, and San Francisco Bay are only a few of the many bodies of water falling into this category. Thus, measuring the territorial sea from a baseline closing off internal waters gives the same effect as if the shore itself were a perfectly straight line. In both instances the ratio of coastal distance to water area is 1:3.

The length of the baseline along the coast of the United States, as discussed above, may differ greatly from coastal measurements computed by the U.S. Coast and Geodetic Survey. The actual measuring technique through the use of charts depends largely upon the amount of detail required. For examples, the general coastline distance comes to only a fraction of that obtained from measuring the tidal shoreline on a large-

scale chart. Coastlines of islands may also add considerably to the total distance. The linear values given in the table showing the U.S. territorial sea by States approximate the general coastline distance.

For a comparison of various coastal measurements the following tabulation is given for the United States (total of the Atlantic, Gulf, and Pacific coasts) and for three individual States. Of the three States, Maine was selected as a State with a highly irregular coast; Maryland was selected for its short coastline and at the same time large area of internal water; and Oregon was selected because of a lack of major indentations along the coast.

COMPARATIVE TABLE OF COASTLINE DISTANCES ¹

<i>Basis of measurement</i>	<i>United States</i>	<i>Maine</i>	<i>Maryland</i>	<i>Oregon</i>
Baseline -----	4,828	233	27	286
General coastline distance_	4,198	198	27	257
General tidal shoreline----	11,169	586	392	271
Detailed tidal shoreline----	46,558	3,017	2,767	1,223

¹ Summary explanation of measuring techniques: All distances on table given in nautical miles. Baseline distances were measured by recording instrument on U.S. Coast and Geodetic Survey chart series at largest available scales. Other distances were taken from C.&G.S. documents, with comments, as follows: (1) general coastline distance measured in units of 30 minutes on maps at a scale of 1:1,200,000, (2) general tidal shoreline measured in units of 3 statute miles on maps at scales of 1:200,000 and 1:400,000 where available, (3) detailed tidal shoreline, including islands, obtained by recording measure on largest available charts.

From the above discussion and table on coastal measurement it should be apparent that the terms "baseline," "coastline," and "shoreline," despite their interrelationship, are not interchangeable. While the latter two have physical connotations, the first of these terms may be physical, geometrical, or a combination of the two. In matters of the law of the sea, "baseline" has a special legal meaning.

Breadth of the Territorial Sea

There is much discussion throughout the world relative to a territorial sea with a breadth greater than 3 miles. Some states, including the Soviet Union, the United Arab Republic, and Panama, have unilaterally made such claims, though the United States does not recognize them as conforming to international law. In March or April 1960 a United Nations conference is scheduled to convene at Geneva in an effort to settle, among other

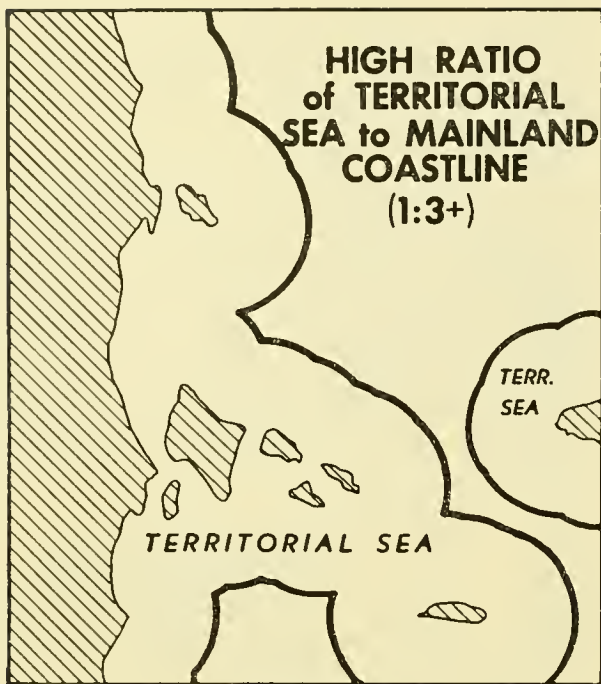


Figure 10

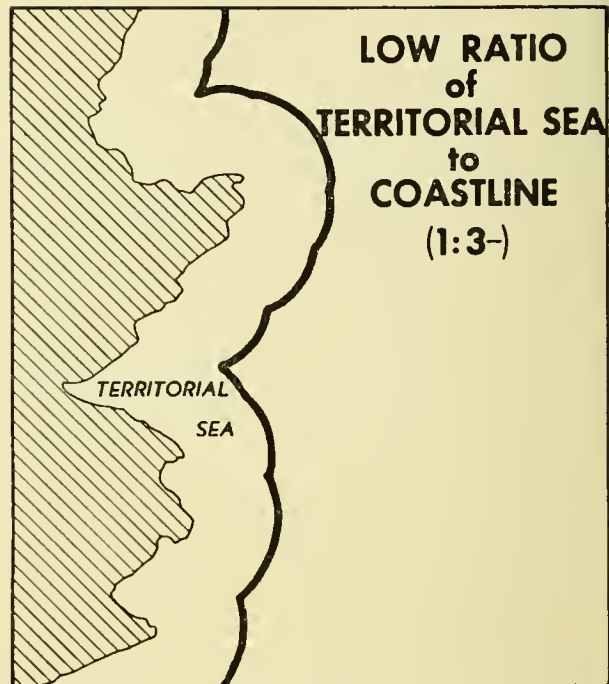


Figure 11

issues, a territorial sea with a breadth acceptable to all states.⁵

The territorial sea of the United States would be materially affected if, for example, 6 miles should become the established breadth. The baseline would remain consistent under such a circumstance, but the outer limit of the territorial sea would extend twice as far seaward as it now does. However, the area of the enlarged offshore zone, though 6 miles in breadth, would not necessarily be multiplied by exactly 2. Depending upon the configuration of the coast and the placement of offshore islands, the area of a 6-mile territorial sea could be either less than double or more than double that of a 3-mile sea. Islands would tend to increase the area of a 6-mile territorial sea out of proportion to the length of the baseline.

Figure 12 illustrates a situation in which the augmentation of the territorial sea from a breadth of 3 miles to one of 6 miles more than doubles the area. For example, it is a simple problem in geometry to calculate that a small island may double the breadth of its territorial sea and thereby quadruple the area of that sea.

In some situations the addition of a second 3-mile zone to the breadth of the territorial sea

would fall short of doubling the area. An irregular coastline facing the open ocean, but with no offshore islands, serves as a baseline from which measurements register less and less distortion as they extend seaward. Thus, the outer limit of a 3-mile zone is less irregular than the baseline itself. In turn, the outer limit of a 6-mile zone is still less irregular. The less the distortion, the more reduced the area, as has already been illustrated in figure 11. Here is a situation where the outer 3-mile zone of the territorial sea is smaller than the inner one. However, any such differences are relatively insignificant and amount to square yards rather than square miles or appreciable fractions of square miles for any given mile of baseline.

The territorial sea of the United States, 3 miles in breadth, was measured as comprising 17,320.8 square miles (nautical) of water surface. It is estimated that a 6-mile zone would cover an area of approximately 37,480 square miles.⁶ Area, however, is far from the major criterion in differentiating between a 3-mile and a 6-mile territorial

⁶To arrive at this figure, the factor of irregularity as generally reflected in the baseline-to-area ratio was carried into a second 3-mile zone. This method was adopted since islands are largely responsible for ratios exceeding the normal 1:3.

⁵For background, see BULLETIN of Jan. 12, 1959, p. 64.

sea. Of greater import is the relation between the territorial sea and the high seas at critical points, such as straits, channels, and other narrow water passages where a very few miles may close off or open up a high-seas route. In event of a 6-mile territorial sea, Block Island off the coast of Rhode Island would not be separated from the mainland coast by high seas. Off the coast of California the territorial sea of some of the channel islands would coalesce with that of the mainland, and Santa Barbara Channel would no longer be traversed by a passage of high seas.

The Straight Baseline

The Convention on the Territorial Sea and the Contiguous Zone permits the use of straight baselines⁷ along a coast which is "deeply indented and cut into, or if there is a fringe of islands along the coast in its immediate vicinity." Such a line may be drawn along the outer perimeter of promontories and islands making up an irregular shoreline or coastal archipelago. All waters landward from the line are identified as internal. Just where this type of situation exists is difficult to ascertain objectively, but the coast of Norway constitutes a clear-cut example,⁸ as does that of the archipelago along the southeast coast of Alaska.

Along the coasts of the continental United States—again excluding Alaska—no situation appears to exist which could be construed as requiring the use of a straight baseline. However, three coastal areas are sufficiently complex to give pause to a consideration of the use of this method. Most pronounced of the three areas is the "rockbound" coast of Maine north of Portland, where the shoreline is fractured by penetrating arms of the sea. Less spectacular, the Florida Keys and Mississippi Delta make up two very irregular

⁷ The term "straight baseline" used to denote a method of drawing a baseline seaward from the coast is the same as that which may be used to denote a closing line across a bay or river mouth. Hence there may be room for confusion unless the term is used in context.

⁸ A test case in international law supported the use of the straight baseline in the 1951 ruling of the International Court of Justice in the *Fisheries* case (*United Kingdom v. Norway*), I.C.J. Reports, Dec. 18, 1951.

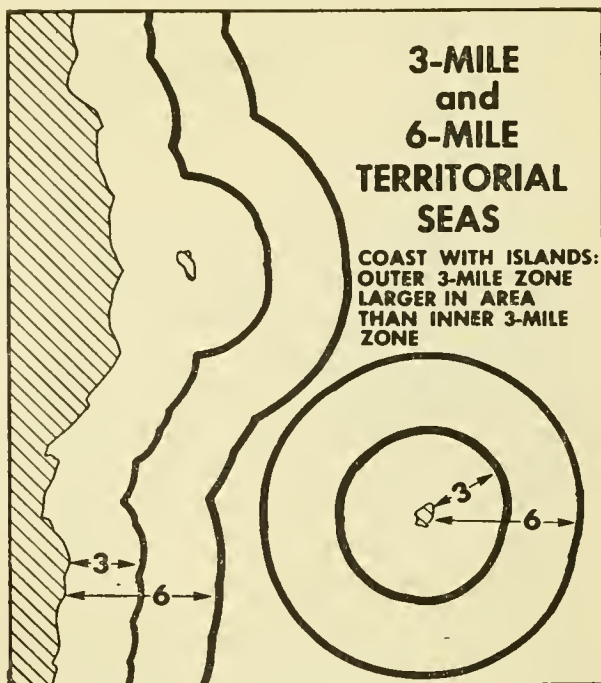


Figure 12

coastal patterns. Nevertheless, in all three cases the use of closing lines across the entrances to bays or other bodies of internal waters at frequent intervals already carries the baseline seaward from the shoreline itself. The establishment of a straight baseline would therefore only be a further step in this same direction, which, in many instances, would at most increase the area of internal waters by modest amounts.

Importance of Delineation

The traditional territorial sea of the United States, though insuring a zone of offshore sovereignty, is at the same time consistent with a policy of world trade and a free interchange of goods and ideas. Limitation of this zone to a breadth of 3 miles permits a margin of defense security along the coast which does not appreciably cut into the world's commercial sealanes. The territorial sea itself, however, must be maintained as sovereign waters. For that reason a sharp delineation of the outer limit of the territorial sea is required, even though as a boundary in an international sense it crosses water rather than land.

The Scientific and Legal Aspects of Peaceful Uses of Outer Space

Following are statements by Hugh L. Dryden, U.S. Alternate Representative on the U.N. Ad Hoc Committee on Peaceful Uses of Outer Space, and Leonard C. Meeker, U.S. Representative on the legal subcommittee of the Ad Hoc Committee.

STATEMENT BY DR. DRYDEN¹

At the meeting of the *Ad Hoc* Committee on the Peaceful Uses of Outer Space on May 7th,² I had the honor of presenting a working paper on topic 1(b)³ which had been prepared by the United States delegation. This paper explored in a preliminary way some of the types of cooperative activities in the peaceful uses of outer space which promise benefit to all the peoples of the world. At this time I wish to provide additional information and to give a brief summary of the paper.

For centuries some men have speculated about the possibility of the exploration of interplanetary space. If I may be pardoned a personal reference, as a boy, I, like many of you, read and was enthralled by the novels of Jules Verne. At that time the journey from my grandfather's farm to the nearest town 12 miles away and return required most of 1 day by horse and wagon. Fantastic as Jules Verne's story of travel to the moon appeared when it was written, the story now seems a tribute to his marvelous vision of the future. The exploration of space by unmanned vehicles carrying scientific apparatus has already begun; exploration by man will follow in due course.

Assessing Future of Space Exploration

The exploration of space is regarded by many as an extension of the exploration of the air, based on an extrapolation of the same underlying technology, including aerodynamics, propulsion structures, materials, communications, navigation,

and control. In attempting to assess the future of space exploration and its contribution to human welfare, it is instructive to imagine one's self on the scene at Kitty Hawk when the fragile cloth, wood, and wire vehicle flew through the air for less than a minute. One wonders whether he could have had the wisdom to assess the tremendous future growth and impact of the airplane on the life of men in all nations. Who could have foreseen the amazing increases in speed, altitude, size, range, and safety of the airplane? Who could have foretold the manifold uses of the airplane for the benefit of man? Would we have been at the forefront of those who advocated the support of its development with the resources of society as a whole?

Today we have similar problems of assessment of the reasons for and the objectives of the exploration of space and of determining the methods and pace at which we proceed. In the past 18 months 10 earth satellites and 5 space probes have been successfully launched. Perhaps the most dramatic discovery was that of the existence of clouds of charged particles trapped in the magnetic field of the earth which generate radiation when they strike material objects such as a satellite. Because of this effect this region is often called the great radiation belt of the earth. There are in fact two radiation belts. The inner belt extends from approximately 2,000 to approximately 5,000 kilometers above the surface of the earth. The radiation in this belt is very penetrating. Many physicists believe that the particles in this region arise from the effects of cosmic rays striking the atmosphere. The outer belt ex-

¹ Made on May 26 before the scientific subcommittee of the *Ad Hoc* Committee (U.S./U.N. press release 3190). Dr. Dryden is Deputy Administrator, National Aeronautics and Space Administration.

² For statements made before the *Ad Hoc* Committee on May 6 and 7 by Ambassador Henry Cabot Lodge, Loftus Becker, and Dr. Dryden, see BULLETIN of June 15, 1959, p. 883.

³ U.N. doc. AC. 98/L. 2.

tends from approximately 13,000 to from 50,000 to 85,000 kilometers, the outer boundary moving to the greater distances when solar activity increases. The radiation in this region is much less penetrating. It is believed that the particles come from the sun. As they spiral along the magnetic lines of force, they finally enter the atmosphere in the far north and south. The impact with air molecules produces the well-known auroral displays in the Arctic and Antarctic.

Much additional scientific information has been obtained during the past months from the satellites already launched. More accurate determinations have been made of the shape of the earth. We find it slightly pear shaped with the stem at the north. Measurements have been made of the electron density in the ionosphere above the altitudes for which information was previously available. We have found that the density of the upper atmosphere is higher than expected and that it varies with position and time with close correlation with solar activity.

The U.S. Working Paper

This is an imposing record of accomplishment, but our ignorance is still profound and our operational experience extremely limited. The working paper submitted by the United States therefore describes potential accomplishments and potential uses as seen by scientists and engineers who are engaged in space activities.

The first section of the working paper is devoted to a brief survey of research in many sciences through the use of sounding rockets, satellites, and space probes. These new tools make possible the transport of scientific measuring instruments and apparatus to the site of the natural phenomena to be studied and the transmission of the data to the scientist in his earth laboratory. The scientific disciplines involved in the earlier experiments are those of physics, chemistry, astronomy, and their specialized areas. Later physiology, psychology, biology, and medicine will be included as man enters as the most versatile and adaptable instrument we know and as an object of scientific investigation in the space environment.

This section also lists present international activities in space science and some possible functions which the *Ad Hoc* Committee might wish to examine. I emphasize, Mr. Chairman, that

these functions are presented for examination and discussion by the working group, without any conclusion at this time as to their feasibility or appropriateness for conduct under the auspices of the United Nations.

The second section deals with the foreseen uses of earth satellites to perform more efficiently and effectively some tasks which are now carried out by other means and to perform other tasks which cannot be done at all with present means. The currently foreseeable applications are to meteorology, worldwide communications, geodesy, and navigation. Only one or two exploratory experiments have been made in these areas, but the potential benefits are very great. There is much promise that earth satellites may revolutionize meteorological research and the observation of weather, resulting in improved weather forecasting. The development of an operative satellite system for weather observation, analysis, and forecasting offers a wide field for international cooperation in the development of instrumentation, the reception and analysis of data, and their application to meteorological research and forecasting.

Similarly the development of the knowledge, experimental data, and components for a worldwide communications system of great capacity for simultaneous handling of numerous messages is an enterprise with great potential benefit to all nations. The accomplishment of this objective requires much experimental data and the development of transmitters, antennas, and receivers. Many nations have experts in these fields who could contribute. There is great interest in the use of satellites as passive reflectors, for these could be used by any nation or person who provides the necessary ground equipment. Some experts believe that such a system may be economically competitive with ocean cable for transatlantic communication. Moreover, such a system would permit the transmission of television, which cannot be done at all over ocean cables.

In this section, also, the working paper describes functions which the *Ad Hoc* Committee might wish to examine.

The third section deals with manned space exploration. At this stage in the development of space vehicles it appears that our present considerations can only be of a preliminary nature. There are, however, underlying areas of research

with ground equipment on the tolerance of man to the stresses of acceleration, vibration, spinning, temperature, and impact and on life-support systems to keep vehicle environment within physiological limits as to pressure, humidity, oxygen supply, carbon dioxide, and other waste removal, which are of great importance to future mammal space flight. Many nations contribute to knowledge in these fields, some of which are also of importance in transport airplanes.

The next section of the working paper describes various practical arrangements affecting the conduct of outer-space programs which have a technical aspect. These include the important and pressing subject of the use of radio frequencies in space activities and many other matters which we should consider together.

Our paper then discusses the problem of the widest possible dissemination of scientific and technical information and methods for increasing the competence and skills of all countries to participate more effectively in space programs to the greater benefit of all.

We believe that the United States working paper covers the subject matter set forth in paragraph 1(b) of the General Assembly's resolution,⁴ which provides the terms of reference for our work here. Of course, there are points on which more detail may be desirable or on which a different emphasis may prove helpful. We think, however, that our work can be facilitated in the first instance by drawing fully on this paper and the other excellent papers that have been submitted in developing the framework for our report.

STATEMENT BY MR. MEEKER⁵

The United States delegation has today [May 28] circulated a working paper in document AC.98/L.7 of the United Nations *Ad Hoc* Committee on the Peaceful Uses of Outer Space. This working paper has been cast, for convenience, in the form of a draft report by the Committee to the General Assembly under paragraph 1(d) of the Committee's terms of reference. The working

paper is offered in the hope that it may help in moving forward the task of the legal subcommittee.

I should like to take this opportunity to explain the structure, contents, and motivating ideas of the paper we have submitted. In the preparation of this paper we have had the advantage of the excellent observations and suggestions made in the course of the general debate.

The *Ad Hoc* Committee has been asked, in the legal area, to report on the nature of legal problems which may arise in the exploration of outer space. This entails the preparation of a list of actual and anticipated legal problems. A bare list, however, would not be very illuminating to those who had not participated in preparing it. It is our purpose to provide the General Assembly with a selective list accompanied by some discussion which would indicate why the questions selected for listing are considered to be problems and which would furnish some clues as to rational priority of treatment. At the same time the Committee is not charged with recommending answers to the problems. Nor would the time available to us or the facts now known make possible any comprehensive attempt of this sort.

Two Categories of Legal Problems

Our delegation has thought it would be most helpful to the General Assembly in its further consideration of international cooperation in the peaceful uses of outer space if the presently identifiable legal problems were to be sorted into two general groupings so as to mark separately those problems which seemed to call for and be amenable to relatively early treatment by the community of nations from those that did not. With this in mind we have listed the following six general topics as priority problems:

1. Availability of outer space for exploration and use;
2. Liability for injury or damage caused by space vehicles;
3. Allocation of radio frequencies;
4. Interference between spacecraft and aircraft;
5. Identification and registration of space vehicles and coordination of launchings;
6. Reentry and landing of space vehicles.

I want to say that all of these items refer to rela-

⁴ For text, see BULLETIN of Jan. 5, 1959, p. 32.

⁵ Made on May 28 before the legal subcommittee of the *Ad Hoc* Committee (U.S./U.N. press release 3191). Mr. Meeker is Assistant Legal Adviser for United Nations Affairs, Department of State.

tionships among governments and are not immediately and primarily concerned with questions that might arise between governments and private persons.

The draft submitted by the United States delegation does not attempt to prescribe the organizational and procedural means, in each case, by which solution of the various enumerated problems might be sought and international cooperation might be carried on under United Nations auspices. It would seem that the *Ad Hoc* Committee will want to consider these questions when the Committee responds to the Assembly's request for a report (under paragraph 1(c) of the resolution) on future organizational arrangements.

It should also be observed that some legal topics may not need special treatment by way of international agreement or otherwise. For example, as stated earlier by the United States in the *Ad Hoc* Committee, it seems clear that the application of the charter of the United Nations and statute of the International Court of Justice to relations among states is not spatially limited to the confines of the earth. And the distinguished representative of Brazil, in his thoughtful statement yesterday, enunciated the principle that outer space is free and open to all on the basis of equality among states as set forth in the charter and is not to be appropriated to any national sovereignty. Such propositions as these seem sufficiently evident and generally agreed as to make it inappropriate for prolonged study or special international action to be taken in regard to them. The draft report accordingly contains only brief mention of them.

The United States working paper concludes with a grouping of certain other legal problems which can already be foreseen but which do not appear to lend themselves to early disposition. It is not our intention, of course, to characterize these as any less important. In addition I would like to call attention to the recommendation in the draft report that the legal problems and their relative priority be kept under regular review by whatever means the General Assembly should deem appropriate. The problems mentioned in the second grouping of the draft report are:

1. The boundaries of air space and of outer space;
2. The feasibility and desirability of a comprehensive codification of rules of law applicable to activities in outer space; and

3. Problems relating to the exploration of celestial bodies.

Finally, the draft report mentions the problems of physical interference among space vehicles and relations with any extraterrestrial forms of life that might one day be encountered abroad in the universe.

Drafting Sessions To Consider Legal Problems

Now, Mr. Chairman, I should like to suggest the desirability of the legal subcommittee's arranging at the close of the general debate for a series of drafting sessions to be undertaken perhaps by a working group designated by the Chair. The subcommittee could refer to such a group the various papers that have been circulated, together with the record of the debates on legal problems that have taken place in the General Assembly, in the *Ad Hoc* Committee, and in this subcommittee. The working group could be charged with the preparation of a draft report under paragraph 1(d) of our basic resolution. This group could avail itself of the ready opportunities for consultation with members of the technical subcommittee and with representatives of the specialized agencies, as required. Then the working group's draft could be reported back to this subcommittee next week for consideration before approval and submission to our parent body, the *Ad Hoc* Committee.

Acceleration of History

A phenomenon of the modern era often noted by historians is the apparent acceleration of the pace of history. This is said particularly of developments in science and technology. We hear also of cultural lag—meaning, in significant part, the failure of social and political institutions to keep abreast of the changes wrought by science and technology.

Yet one consequence of the acceleration of history is that it gives to a single generation the chance to see the events of its own time in wider and deeper perspective. This realization lays increased responsibility upon the peoples and governments of the 20th century. It gives also opportunities for creative political action greater than any opportunities known in the past.

May it be in such a spirit of imagination and adventure that the nations of the world now enter the space age. The international community has

before it the prospect of developing and practicing new techniques of cooperation and organization in exploring outer space. The skills and resources of all countries, regardless of their present space capabilities, will be needed, and will be in turn enriched, in this effort. The fruits of such cooperation, leaving behind narrow nationalisms, are incalculable in the progress they might score toward peace and justice among the peoples of the earth. The challenge of space exploration is so great in its demands on human knowledge and resources that international cooperation which is in any way commensurate with the possibilities of this new realm could in time relegate international differences to insignificance.

Development of law to govern activities in outer space is one of the great tasks that lie ahead. It is our hope that careful and well-considered beginnings now can lead to rules and relationships which will stand the test of time.

Baghdad Pact Council Invited To Meet at Washington

Press release 411 dated June 10

In response to a request of the member states, the Department of State has invited the Baghdad Pact Ministerial Council to hold its next session at Washington, D.C., from October 7 to 9, 1959.¹ Iran, Pakistan, Turkey, and the United Kingdom are members of the Pact. The United States, while not a member, has supported that body from its inception in 1955.

The United States invitation has been extended to the member governments through the organization's Council Deputies at Ankara by Fletcher Warren, American Ambassador to Turkey and the U.S. observer in the Council Deputies. The invitation is further evidence of the United States support of these nations in their determination to maintain their national independence and territorial integrity.

The United States will participate in the forthcoming Ministerial Council session in its observer capacity.

¹For statements by Deputy Under Secretary Loy W. Henderson at the time of the sixth session of the Ministerial Council at Karachi, Pakistan, Jan. 26-28, 1959, together with the text of the final communique, see *BULLETIN* of Mar. 2, 1959, p. 318.

Current U.N. Documents: A Selected Bibliography¹

Security Council

Letter Dated 31 March 1959 From the Permanent Representative of India Addressed to the President of the Security Council Regarding Pakistani Allegations of 30 December 1958 (S/4143). S/4177. March 31, 1959. 1 p.

Letter Dated 7 May 1959 From the Acting Permanent Representative of Pakistan Addressed to the President of the Security Council Regarding Indian Letters of 4 March 1959 (S/4169) and 5 March 1959 (S/4170). S/4185. May 7, 1959. 2 pp.

General Assembly

International Law Commission. Fourth Report on the Law of Treaties. A/CN.4/120. March 17, 1959. 136 pp.

Committee Established Under General Assembly Resolution 1181 (XII). Comments by governments on the question of defining aggression. A/AC.91/1 Rev. 1. April 3, 1959. 14 pp.

Question of Nuclear Weapons Tests. Letter dated 17 April 1959 from the permanent representative of the U.S.S.R. to the United Nations, addressed to the Secretary-General. A/4097. 10 pp.

United Nations Special Fund. First report of the Advisory Committee on Administrative and Budgetary Questions to the General Assembly at its 14th session. A/4099. April 23, 1959. 7 pp.

Question of Nuclear Weapons Tests. Letter dated 29 April 1959 from the representative of the United States to the United Nations, addressed to the Secretary-General. A/4101. April 30, 1959. 3 pp.

Question of Nuclear Weapons Tests. Letter dated 29 April 1959 from the permanent representative of the United Kingdom to the United Nations, addressed to the Secretary-General. A/4102. April 30, 1959. 2 pp.

Question of Nuclear Weapons Tests. Letter dated 4 May 1949 from the permanent representative of the U.S.S.R. to the United Nations, addressed to the Secretary-General. A/4103. May 6, 1959. 6 pp.

Economic and Social Council

Economic Commission for Asia and the Far East. Report of the Committee on Industry and Natural Resources (Eleventh Session) to the Commission (Fifteenth Session). E/CN.11/499. February 24, 1959. 50 pp.

Report of the Universal Postal Union. E/3216. March 3, 1959. 105 pp.

Economic Commission for Latin America. Technical Assistance Activities in the ECLA Region, 1958. E/CN.12/505. March 15, 1959.

Economic Commission for Latin America. Preparation for Programme Appraisal for 1959-1964. E/CN.12/500 and Corr. 1. March 25, 1959. 46 pp.

Freedom of Information. Special Report of the Commission of Human Rights on Item 3: "Freedom of Information" of its Fifteenth Session. E/3224. March 27, 1959. 17 pp.

¹Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York 27, N.Y. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

Economic Commission for Latin America. Government Policies Affecting Private Foreign Investment in Latin American Regional Markets. E/CN.12/C.1/12. March 28, 1959. 25 pp.

Economic Commission for Latin America. The Latin American Common Market and the Multilateral Payments System. E/CN.12/C.1/9. March 28, 1959. 72 pp.

Economic Commission for Latin America. Report of the Second Session of the Central Banks Working Group. E/CN.12/C.1/10. March 28, 1959. 41 pp.

TREATY INFORMATION

U.S. and Mexico Agree To Extend Air Transport Agreement

Press release 429 dated June 13

Delegations of the United States and Mexico which have been meeting at Mexico City for several weeks announced on June 13 that they are recommending to their respective governments the extension for another year of the provisional civil aviation arrangement between the two countries¹ which was due to expire on June 30, 1959. This agreement will be confirmed by an exchange of diplomatic notes between the Mexican Ministry of Foreign Affairs and the American Embassy at Mexico City. Heads of both delegations stated that the negotiations were conducted in an atmosphere of cordiality and that discussions would be resumed later this fall for the purpose of continuing the study of operations under the provisional understanding and the expansion of the current route exchanges.

Public Law 480 Agreement Signed With Argentina

Press release 424 dated June 12

The U.S. Government on June 12 concluded an agreement with the Government of the Argentine Republic for the sale to Argentina, for pesos, of \$33 million worth of edible oils and rice under the provisions of title I, Public Law 480, the Agricultural Trade Development and Assistance Act.

¹Treaties and Other International Acts Series 3776 and 4099.

The agreement was signed at Washington by Assistant Secretary Roy R. Rubottom, Jr., and Argentine Ambassador César Barros Hurtado. Negotiations with the Argentine Embassy were conducted by officials of the Department of State, the Department of Agriculture, and the International Cooperation Administration in collaboration with other interested U.S. Government agencies. The Department of Agriculture is issuing a separate public announcement which provides further details concerning the transaction.

Three-quarters of the proceeds of this sale will be made available for loans designed to increase trade between the two countries and to contribute to Argentina's economic development.

In announcing this agreement the U.S. Government referred to the sympathetic interest with which it has followed the determined efforts of the Argentine Government to meet and solve its present economic problems and to create the conditions for further development of Argentina's rich resources in the interest of the Argentine people. It is hoped that the present agreement will be helpful in this regard.

Current Actions

MULTILATERAL

Bills of Lading

International convention for unification of certain rules relating to bills of lading, and protocol of signature. Dated at Brussels August 25, 1924. Entered into force June 2, 1931. 51 Stat. 233.

Ratification deposited: Yugoslavia, April 17, 1959.

Slavery

Protocol amending the slavery convention signed at Geneva September 25, 1926 (46 Stat. 2183), and annex.

Done at New York December 7, 1953. Entered into force for the United States March 7, 1956. TIAS 3532.

Acceptance deposited: Morocco, May 11, 1959.

War

Geneva convention relative to treatment of prisoners of war;

Geneva convention for amelioration of condition of wounded and sick in armed forces in the field;

Geneva convention for amelioration of condition of wounded, sick, and shipwrecked members of armed forces at sea;

Geneva convention relative to protection of civilian persons in time of war.

Dated at Geneva August 12, 1949. Entered into force October 21, 1950; for the United States February 2, 1956. TIAS 3364, 3362, 3363, and 3365, respectively.

Ratification deposited: New Zealand, May 2, 1959.¹

¹Maintained reservation to article 68, paragraph 2, of convention relative to protection of civilians.

Ceylon

Agreement amending the agricultural commodities agreement of March 13, 1959 (TIAS 4211). Effected by exchange of notes at Colombo May 28, 1959. Entered into force May 28, 1959.

Cuba

Convention for the conservation of shrimp. Signed at Habana August 15, 1958.²
Senate advice and consent to ratification given: June 4, 1959.

Federation of Malaya

Special technical cooperation agreement providing for detail of American income tax experts to Malaya. Effected by exchange of notes at Kuala Lumpur May 19 and 22, 1959. Entered into force May 22, 1959.

Finland

Agreement further amending the agreement of July 2, 1952, as amended (TIAS 2555 and 3704), for financing certain educational exchange programs. Effected by exchange of notes at Helsinki May 30, 1959. Entered into force May 30, 1959.

Germany

Agreement providing for a voluntary contribution to costs resulting from maintenance of United States troops in Germany. Effected by exchanges of notes at Bonn June 7, 1957.
Entered into force: May 12, 1959 (date on which Germany notified the United States of its constitutional approval).

Poland

Agreement further amending the agricultural commodities agreements of June 7, 1957, as amended (TIAS 3839, 3878, and 3973), and February 15, 1958, as amended (TIAS 3991 and 4046). Effected by exchange of notes at Washington May 26 and 29, 1959. Entered into force May 29, 1959.

South East Asia Treaty Organization

Agreement relating to a cholera research program. Effected by exchange of notes at Bangkok May 29, 1959. Entered into force May 29, 1959.

Switzerland

Agreement amending agreement for cooperation concerning production of nuclear power of June 21, 1956 (TIAS 3745). Signed at Washington April 24, 1959.
Entered into force: June 8, 1959 (date each party received from the other written notification that it has complied with statutory and constitutional requirements).

DEPARTMENT AND FOREIGN SERVICE

Confirmations

The Senate on June 5 confirmed J. Graham Parsons to be an Assistant Secretary of State.

The Senate on June 9 confirmed C. Douglas Dillon to be Under Secretary of State. (For biographic details, see Department of State press release 420 dated June 12.)

² Not in force.

Designations

William J. Crockett as Deputy Assistant Secretary for Budget and Finance, effective May 31.

Edward W. Sheridan as International Cooperation Administration representative to British Guiana. (For biographic details, see Department of State press release 418 dated June 11.)

W. Alan Laffin as director of the U.S. Operations Mission to Panama, effective June 14. (For biographic details, see Department of State press release 425 dated June 12.)

Check List of Department of State Press Releases: June 8-14

Press releases may be obtained from the News Division, Department of State, Washington 25, D.C.

Release issued prior to June 8 which appears in this issue of the BULLETIN is No. 387 of June 3.

No.	Date	Subject
402	6/8	Herter: Foreign Ministers meeting.
†403	6/8	Intergovernmental shipping talks (rewrite).
*404	6/9	Revised itinerary for heads of European communities.
405	6/9	Kirk appointed to NATO studies committee (rewrite).
*406	6/9	McIntosh nominated ambassador to Colombia (biographic details).
†407	6/9	<i>Foreign Relations</i> volume published.
408	6/9	Dillon: exchange of remarks with heads of European communities.
409	6/10	Dillon: "The Challenge of Economic Growth in the Free World."
410	6/10	Queen Elizabeth and Prince Philip to visit Chicago (rewrite).
411	6/10	Baghdad Pact meeting at Washington.
412	6/10	Economic discussions with Poland.
413	6/10	U.S. reply to Cuban sugar offer.
*414	6/10	President to attend FSI graduation ceremonies.
415	6/11	Iraq credentials (rewrite).
416	6/11	Herter: Foreign Ministers meeting.
417	6/11	U.S. note concerning Cuban agrarian reform law.
*418	6/11	Sheridan designated ICA representative, British Guiana (biographic details).
419	6/12	Communique of U.S. and heads of European communities.
*420	6/12	Dillon sworn in as Under Secretary of State (biographic details).
*421	6/12	FSI graduation ceremonies.
†422	6/11	Dillon: intergovernmental shipping talks.
†423	6/12	DLF loan to Yugoslavia (rewrite).
424	6/12	P.L. 480 agreement with Argentina.
*425	6/12	Laffin designated USOM director, Panama (biographic details).
†426	6/12	Dillon: FSI graduation ceremonies.
427	6/12	Herter: Foreign Ministers meeting.
429	6/13	Aviation conference in Mexico.

* Not printed.

† Held for a later issue of the BULLETIN.

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