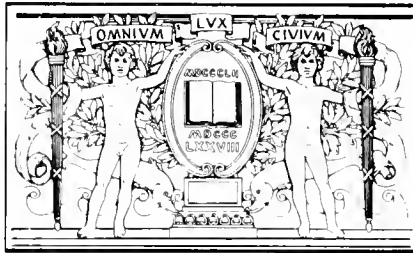


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Caribbean Basin / 1

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Volume 82 / Number 2061 / April 1982

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The BULLETIN's contents include major addresses and news conferences of the President and the Secretary of State; statements made before congressional committees by the Secretary and other senior State Department officials; special features and articles on international affairs; selected press releases issued by the White House, the Department, and the U.S. Mission to the United Nations; and treaties and other agreements to which the United States is or may become a party.

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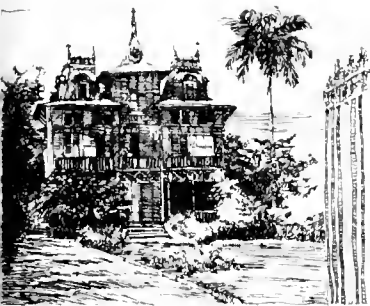
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CONTENTS



FEATURE

- 1 Caribbean Basin Initiative (*President Reagan*)
- 7 Background on the Caribbean Basin Initiative

The Secretary

- 33 Update on International Developments
- 36 Proposed FY 1983 Foreign Assistance Program
- 37 Visit to Europe and North Africa (*Statement, News Conferences*)

Arms Control

- 60 INF Negotiations (*President Reagan*)

Canada

- 60 U.S.-Canada Transboundary Air Pollution Negotiations (*Thomas M. T. Niles*)

East Asia

- 62 Japan and the United States: A Cooperative Relationship (*John H. Holdridge*)
- 60 10th Anniversary of Shanghai Communique (*President Reagan, Zhao Ziyang*)

Economics

- 61 Polish Debt Situation (*Robert D. Hormats*)

Energy

- 62 Soviet Energy Development and the Western Alliance (*Ernest B. Johnston, Jr.*)

Europe

- 65 In Defense of Western Values (*Richard R. Burt*)
- 67 Situation in Poland (*Department Statements*)

Human Rights

- 68 Human Rights Situation in El Salvador (*Elliott Abrams*)
- 69 Human Rights Situation in Nicaragua (*Elliott Abrams*)
- 71 Country Reports on Human Rights Practices

Middle East

- 77 Visit of Egyptian President Mubarak (*Presidents Mubarak and Reagan*)
- 80 Secretary's News Conference on President Mubarak's Visit
- 83 Military Assistance Policies for the Middle East (*President Reagan*)

Security Assistance

- 84 Proposed Sale of Aircraft to Venezuela (*James L. Buckley*)

South Asia

- 85 Afghanistan Day: March 21 (*Walter J. Stoessel, Jr.*)

Western Hemisphere

- 87 The Certification for El Salvador (*Thomas O. Enders*)
- 88 U.S. to Observe El Salvador's Elections (*Department Statement*)

Treaties

- 90 Current Actions

Chronology

- 93 February 1982

Press Releases

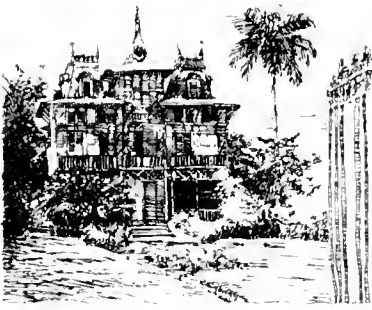
- 93 Department of State

Publications

- 94 Department of State

Index





FEATURE
Caribbean Basin

Caribbean Basin Initiative

*President Reagan's address
before the
Organization of American States (OAS)
on February 24, 1982¹*

The principles which the Organization of American States embodies—democracy, self-determination, economic development, and collective security—are at the heart of U.S. foreign policy. The United States of America is a proud member of this organization. What happens anywhere in the Americas affects us in this country. In that very real sense, we share a common destiny. We, the peoples of the Americas, have much more in common than geographical proximity. For over 400 years our peoples have shared the dangers and dreams of building a new world. From colonialism to nationhood, our common quest has been for freedom.

Most of our forebears came to this hemisphere seeking a better life for themselves. They came in search of opportunity and, yes, in search of God. Virtually all descendants of the land and immigrants alike have had to fight for independence. Having gained it, they've had to fight to retain it. There were times when we even fought each other.

In an address before the permanent representatives to the OAS, President Reagan outlined an integrated program to help the Caribbean and Central American nations to help themselves.

(White House photo by Jack Knightlinger)

Gradually, however, the nations of this hemisphere developed a set of common principles and institutions that provided the basis for mutual protection. Some 20 years ago, John F. Kennedy caught the essence of our unique mission when he said it was up to the New World "... to demonstrate... that man's unsatisfied aspiration for economic progress and social justice can best be achieved by free men working within a framework of democratic institutions."

In the commitment to freedom and independence, the peoples of this hemisphere are one. In this profound sense, we are all Americans. Our principles are rooted in self-government and nonintervention. We believe in the rule of law. We know that a nation cannot be liberated by depriving its people of liberty. We know that a state cannot be free when its independence is subordinated to a foreign power. And we know that a government cannot be democratic if it refuses to take the test of a free election.

We have not always lived up to these ideals. All of us at one time or another in our history have been politically weak, economically backward, socially unjust, or unable to solve our

problems through peaceful means. My own country, too, has suffered internal strife including a tragic civil war. We have known economic misery and once tolerated racial and social injustice. And, yes, at times we have behaved arrogantly and impatiently toward our neighbors. These experiences have left their scars, but they also help us today to identify with the struggle for political and economic development in the other countries of this hemisphere.

Out of the crucible of our common past, the Americas have emerged as more equal and more understanding partners. Our hemisphere has an unlimited potential for economic development and human fulfillment. We have a combined population of more than 600 million people; our continents and our islands boast vast reservoirs of food and raw materials; and the markets of the Americas have already produced the highest standard of living among the advanced as well as the developing countries of the world. The example that we could offer to the world would not only discourage foes, it would project like a beacon of hope to all of the oppressed and impoverished nations of the world. We are the New World, a world of sovereign and independent states that today stands shoulder-to-shoulder with a common respect for one another and a greater tolerance of one another's shortcomings.

Some 2 years ago when I announced as a candidate for the presidency, I spoke of an ambition I had to bring about an accord with our two neighbors here on the North American Continent. Now, I was not suggesting a common market or any kind of formal arrangement. "Accord" was the only word that seemed to fit what I had in mind. I was aware that the United States has long enjoyed friendly relations with Mexico and Canada, that our borders have no fortifications. Yet it seemed to me that there was a potential for a closer relationship than had yet been achieved. Three great nations share the North American Continent with all its human

and natural resources. Have we done all we can to create a relationship in which each country can realize its potential to the fullest?

Now, I know in the past the United States has proposed policies that we declared would be mutually beneficial not only for North America but also for the nations of the Caribbean and Central and South America. But there was often

Our economic and social program cannot work if our neighbors cannot pursue their own economic and political future in peace but must divert their resources . . . to fight imported terrorism and armed attack.

a problem. No matter how good our intentions were, our very size may have made it seem that we were exercising a kind of paternalism.

At the time I suggested a new North American accord, I said I wanted to approach our neighbors not as someone with yet another plan but as a friend seeking their ideas, their suggestions as to how we would become better neighbors. I met with President Lopez-Portillo in Mexico before my inauguration and with Prime Minister Trudeau in Canada shortly after I had taken office. We have all met several times since—in the United States, in Mexico, and in Canada. And I believe that we have established a relationship better than any our three countries have ever known before.

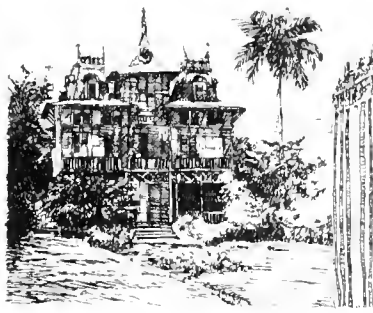
Economic Health of the Caribbean Basin

Today I would like to talk about our other neighbors—neighbors by the sea—some two dozen countries of the Caribbean and Central America. These countries are not unfamiliar names from some isolated corner of the world far from home. They're very close to home. The country of El Salvador, for example, is nearer to Texas than Texas to Massachusetts. The Caribbean region is a vital strategic and commercial artery for the United States. Nearly half of our trade, two-thirds of our imported oil, and over half of our imported strategic minerals pass through the Panama Canal or the Gulf of Mexico. Make no mistake: The well-being and security of our neighbors in this region are in our own vital interest.

Economic health is one of the keys to a secure future for our Caribbean Basin and to the neighbors there. I'm happy to say that Mexico, Canada, and Venezuela have joined in this search for ways to help these countries realize their economic potential. Each of our four nations has its own unique position and approach. Mexico and Venezuela are helping to offset energy costs to Caribbean Basin countries by means of an oil facility that is already in operation. Canada is doubling its already significant economic assistance.

We all seek to insure that the peoples of this area have the right to preserve their own national identities, to improve their economic lot, and to develop their political institutions to suit their own unique social and historical needs. The Central American and Caribbean countries differ widely in culture, personality, and needs. Like America itself, the Caribbean Basin is an extraordinary mosaic of Hispanics, Africans, Asians, and Europeans, as well as native Americans.

At the moment, however, these countries are under economic siege. In 1977, 1 barrel of oil was worth 5 pounds



FEATURE Caribbean Basin

of coffee or 155 pounds of sugar. To buy that same barrel of oil today, these small countries must provide five times as much coffee (nearly 26 pounds) or almost twice as much sugar (283 pounds). This economic disaster is consuming our neighbors' money, reserves, and credit, forcing thousands of people to leave for other countries—for the United States, often illegally—and shaking even the most established democracies. And economic disaster has provided a fresh opening to the enemies of freedom, national independence, and peaceful development.

Proposed Economic Program

We've taken the time to consult closely with other governments in the region, both sponsors and beneficiaries, to ask them what they need and what they think will work. And we've labored long to develop an economic program that integrates trade, aid, and investment—a program that represents a long-term commitment to the countries of the Caribbean and Central America to make use of the magic of the marketplace, the market of the Americas, and to earn their own way toward self-sustaining growth.

At the Cancun summit last October, I presented a fresh view of a development which stressed more than aid and government intervention. As I pointed out then, nearly all of the countries that have succeeded in their development over the past 30 years have done so on the strength of market-oriented policies and vigorous participation in the international economy. Aid must be complemented by trade and investment.

The program I'm proposing today puts these principles into practice. It is an integrated program that helps our neighbors help themselves, a program that will create conditions under which creativity and private entrepreneurship and self-help can flourish. Aid is an important part of this program because many of our neighbors need it to put themselves in a starting position from



(White House photo by Karl Schumacher)

Before his address, President Reagan met with (left to right) Victor McIntyre, Permanent Representative of Trinidad and Tobago to the OAS and Chairman of the Permanent Council; J. William Middendorf II, U.S. Permanent Representative to the OAS; Alejandro Orfila (Argentina), Secretary General of the OAS; and Val T. McComie (Barbados), Assistant Secretary General of the OAS.

which they can begin to earn their own way. But this aid will encourage private sector activities but not displace them.

First. The centerpiece of the program that I am sending to the Congress is free trade for Caribbean Basin products exported to the United States. Currently, some 87% of Caribbean exports already enter U.S. markets duty free under the generalized system of preferences. These exports, however, cover only the limited range of existing products, not the wide variety of potential products these talented and industrious peoples are capable of producing under the free trade arrangement that I am proposing. Exports from the area will receive duty-free treatment for 12 years. Thus, new investors will be able to enter the market knowing that their products will receive duty-free treatment for at least the pay-off lifetime of their investments. Before granting duty-free treatment, we will

discuss with each country its own self-help measures.

The only exception to the free trade concept will be textile and apparel products because these products are covered now by other international agreements. However, we will make sure that our immediate neighbors have more liberal quota arrangements.

This economic proposal is as unprecedented as today's crisis in the Caribbean. Never before has the United States offered a preferential trading arrangement to any region. This commitment makes unmistakably clear our determination to help our neighbors grow strong. The impact of this free trade approach will develop slowly. The economies that we seek to help are small. Even as they grow, all the protections now available to U.S. industry, agriculture, and labor against disruptive imports will remain. And growth in the Caribbean will benefit everyone with American exports finding new markets.

Second. To further attract investment, I will ask the Congress to provide significant tax incentives for investment in the Caribbean Basin. We also stand ready to negotiate bilateral investment treaties with interested basin countries.

Third. I'm asking for a supplemental fiscal year 1982 appropriation of \$350 million to assist those countries which are particularly hard hit economically. Much of this aid will be concentrated on the private sector. These steps will help foster the spirit of enterprise necessary to take advantage of the trade and investment portions of the program.

Fourth. We will offer technical assistance and training to assist the private sector in the basin countries to benefit from the opportunities of this program. This will include investment promotion, export marketing, and technology transfer efforts, as well as programs to facilitate adjustments to greater competition and production in agriculture and industry. I intend to seek the active participation of the business community in this joint undertaking. The Peace Corps already has 861 volunteers in Caribbean Basin countries and will give special emphasis to recruiting volunteers with skills in developing local enterprise.

Fifth. We will work closely with Mexico, Canada, and Venezuela, all of which have already begun substantial and innovative programs of their own to encourage stronger international efforts to coordinate our own development measures with their vital contributions, and with those of other potential donors like Colombia. We will also encourage our European, Japanese, and other Asian allies as well as multilateral development institutions to increase their assistance in the region.

Sixth. Given our special valued relationship with Puerto Rico and the U.S. Virgin Islands, we will propose special measures to insure that they also will benefit and prosper from this program. With their strong traditions of democracy and free enterprise, they can play leading roles in the development of the area.

Caribbean Basin Countries

The Caribbean Basin is the region south from Florida and the Bahamas across the nearly 2,000 miles of ocean between Barbados and the islands of the eastern Caribbean on one side and the mountains of Guatemala on the other. The area is, of course, extremely heterogeneous. So are its problems. It ranges from English-speaking island countries (in some cases with less than 10,000 people); French-speaking Haiti; Spanish speaking Central America and the Dominican Republic; middle-class Costa Rica; densely populated El Salvador; and very low population density Belize, Guyana, and Honduras.

Some of the problems of these countries, however, are common: Prices for many of these countries' basic exports have collapsed. Coffee and sugar prices are a third of what they were a few years ago. Oil prices, of course, have

risen over 1,500%. World interest rates have doubled the cost of debt and have caused capital to flow out of their banks and into ours.

Throughout Central America and the Caribbean, there is wide recognition among politicians, technical people, and businessmen alike, that past statist policies must give way to more open systems, even though change may hurt.

These countries do have resources with which to attack their problems; e.g., hard-working people, fundamentally market-oriented economies though with statist overlay, a tradition in many countries of political pluralism, rich natural resources in some, and lots of progress in educating their people in most countries. Most importantly, many have leadership which is aware of the problems and determined to resolve them. ■

This program has been carefully prepared. It represents a farsighted act by our own people at a time of considerable economic difficulty at home. I wouldn't propose it if I were not convinced that it is vital to the security interests of this nation and of this hemisphere. The energy, the time, and the treasure we dedicate to assisting the development of our neighbors now can help to prevent the much larger expenditures of treasure as well as human lives which would flow from their collapse.

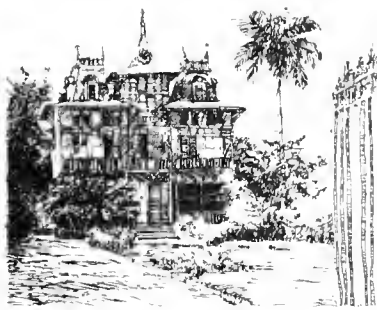
One early sign is positive. After a decade of falling income and exceptionally high unemployment, Jamaica's new leadership is reducing bureaucracy, dismantling unworkable controls, and attracting new investment. Continued outside assistance will be needed to tide Jamaica over until market forces generate large increases in output and employment, but Jamaica is making freedom work.

Threats to Security

I've spoken up to now mainly of the economic and social challenges to development. But there are also other dangers. A new kind of colonialism stalks the world today and threatens our independence. It is brutal and totalitarian. It is not of our hemisphere but it threatens our hemisphere and has established footholds on American soil for the expansion of its colonialist ambitions.

The events of the last several years dramatize two different futures which are possible for the Caribbean area: either the establishment or restoration of moderate, constitutional governments with economic growth and improved living standards; or further expansion of political violence from the extreme left and the extreme right resulting in the imposition of dictatorships and inevitably more economic decline and human suffering.

The positive opportunity is illustrated by the two-thirds of the nations in the area which have democratic govern-



FEATURE Caribbean Basin



ments. The dark future is foreshadowed by the poverty and repression of Castro's Cuba, the tightening grip of the totalitarian left in Grenada and Nicaragua, and the expansion of Soviet-backed, Cuban-managed support for violent revolution in Central America.

The record is clear. Nowhere in its whole sordid history have the promises of communism been redeemed. Everywhere it has exploited and aggravated temporary economic suffering to seize power and then to institutionalize economic deprivation and suppress human rights. Right now, 6 million people worldwide are refugees from Communist systems. Already, more than a million Cubans alone have fled Communist tyranny.

Our economic and social program cannot work if our neighbors cannot pursue their own economic and political future in peace but must divert their resources, instead, to fight imported ter-

rorism and armed attack. Economic progress cannot be made while guerrillas systematically burn, bomb, and destroy bridges, farms, and power and transportation systems—all with the deliberate intention of worsening economic and social problems in hopes of radicalizing already suffering people.

Our Caribbean neighbors' peaceful attempts to develop are feared by the foes of freedom because their success will make the radical message a hollow one. Cuba and its Soviet backers know this. Since 1978, Havana has trained, armed, and directed extremists in guerrilla warfare and economic sabotage as part of a campaign to exploit troubles in Central America and the Caribbean. Their goal is to establish Cuban-style Marxist-Leninist dictatorships. Last year, Cuba received 66,000 tons of war supplies from the Soviet Union—more than in any year since the 1962 missile crisis. Last month, the arrival of addi-

tional high-performance MiG-23/Floggers gave Cuba an arsenal of more than 200 Soviet warplanes—far more than the military aircraft inventories of all other Caribbean Basin countries combined.

For almost 2 years, Nicaragua has served as a platform for covert military action. Through Nicaragua, arms are being smuggled to guerrillas in El Salvador and Guatemala. The Nicaraguan Government even admits the forced relocation of about 8,500 Miskito Indians. And we have clear evidence that since late 1981, many Indian communities have been burned to the ground and men, women, and children killed.

The Nicaraguan junta cabled written assurances to the OAS in 1979 that it intended to respect human rights and hold free elections. Two years later, these commitments can be measured by the postponement of elections until

1985; by repression against free trade unions, against the media and minorities; and—in defiance of all international civility—by the continued export of arms and subversion to neighboring countries.

Two years ago, in contrast, the Government of El Salvador began an unprecedented land reform. It has repeatedly urged the guerrillas to renounce violence, to join in the democratic process—an election in which the people of El Salvador could determine the government they prefer. Our own country and other American nations through the OAS have urged such a course. The guerrillas have refused. More than that, they now threaten violence and death to those who participate in such an election.

Can anything make more clear the nature of those who pretend to be supporters of so-called wars of liberation? A determined propaganda campaign has sought to mislead many in Europe and certainly many in the United States as to the true nature of the conflict in El Salvador. Very simply, guerrillas, armed and supported by and through Cuba, are attempting to impose a Marxist-Leninist dictatorship on the people of El Salvador as part of a larger imperialistic plan. If we do not act promptly and decisively in defense of freedom, new Cubas will arise from the ruins of today's conflicts. We will face more totalitarian regimes tried militarily to the Soviet Union; more regimes supporting subversion; more regimes so incompetent yet so totalitarian that their citizens' only hope becomes that of one day migrating to other American nations, as in recent years they have come to the United States.

I believe free and peaceful development of our hemisphere requires us to help governments confronted with aggression from outside their borders to defend themselves. For this reason, I will ask the Congress to provide increased security assistance to help friendly countries hold off those who would destroy their chances for

economic and social progress and political democracy. Since 1947, the Rio treaty has established reciprocal defense responsibilities linked to our common democratic ideals. Meeting these responsibilities is all the more important when an outside power supports terrorism and insurgency to destroy any possibility of freedom and democracy. Let our friends and our adversaries understand that we will do whatever is prudent and necessary to insure the peace and security of the Caribbean area.

In the face of outside threats, security for the countries of the Caribbean and Central American area is not an end in itself but a means to an end. It is a means toward building representative and responsive institutions, toward strengthening pluralism and free private

Let our friends and our adversaries understand that we will do whatever is prudent and necessary to insure the peace and security of the Caribbean area.

institutions—churches, free trade unions, and an independent press. It is a means for nurturing the basic human rights that freedom's foes would stamp out. In the Caribbean we above all seek to protect those values and principles that shape the proud heritage of this hemisphere. I have already expressed our support for the coming election in El Salvador. We also strongly support the Central American Democratic Community formed this January by Costa Rica, Honduras, and El Salvador. The United States will work closely with other concerned democracies inside and outside the area to preserve and enhance our common democratic values.

We will not, however, follow Cuba lead in attempting to resolve human problems by brute force. Our economic assistance, including the additions that are part of the program I've just outlined, is more than five times the amount of our security assistance. The thrust of our aid is to help our neighbors realize freedom, justice, and economic progress.

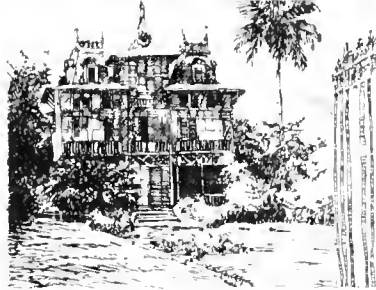
We seek to exclude no one. Some, however, have turned from their American neighbors and their heritage. Let them return to the traditions and common values of this hemisphere, and we all will welcome them. The choice is theirs.

The Need for Assistance

As I have talked these problems over with friends and fellow citizens here in the United States, I'm often asked, "Why bother? Why should the problems of Central America or the Caribbean concern us? Why should we try to help?" I tell them we must help because the people of the Caribbean and Central America are in a fundamental sense fellow Americans. Freedom is our common destiny. And freedom cannot survive if our neighbors live in misery and oppression. In short, we must do it because we're doing it for each other.

Our neighbors' call for help is addressed to us all here in this country—to the Administration, to the Congress, to millions of Americans from Miami to Chicago, from New York to Los Angeles. This is not Washington's problem; it is the problem of all the people of this great land and of all the other Americas—the great and sovereign republics of North America, the Caribbean Basin, and South America. The Western Hemisphere does not belong to any one of us—we belong to the Western Hemisphere. We are brothers historically as well as geographically.

Now, I'm aware that the United States has pursued good neighbor policies in the past. These policies did some good, but they're inadequate for



FEATURE Caribbean Basin

oday. I believe that my country is now ready to go beyond being a good neighbor to being a true friend and brother in the community that belongs as much to others as to us. That, not arms, is the ultimate key to peace and security for us all.

We have to ask ourselves why has it taken so long for us to realize the God-given opportunity that is ours. These two great land masses north and south, so rich in virtually everything we need—together our more than 600 million people can develop what is undeveloped, can eliminate want and poverty, can show the world that our many nations can live in peace, each with its own customs and language and culture but sharing a love for freedom and a determination to resist outside ideologies that would take us back to colonialism.

We return to a common vision. Nearly a century ago a great citizen of the Caribbean and the Americas, Jose Marti, warned that: "Mankind is composed of two sorts of men—those who love and create and those who hate and destroy." Today more than ever the compassionate, creative peoples of the Americas have an opportunity to stand together; to overcome injustice, hatred, and oppression; and to build a better life for all the Americas.

I have always believed that this hemisphere was a special place with a special destiny. I believe we are destined to be the beacon of hope for all mankind. With God's help, we can make it so. We can create a peaceful, free, and prospering hemisphere based on our shared ideals and reaching from pole to pole of what we proudly call the New World.

¹Text from Weekly Compilation of Presidential Documents of Mar. 1, 1982. ■

Background on the Caribbean Basin Initiative

SUMMARY

The Caribbean Basin includes some two dozen small developing nations in Central America, the Caribbean, and northern South America. The region forms the third border of the United States, contains vital sea lanes through which three-quarters of our oil imports must flow, is an important market for U.S. exports, and is our second largest source of illegal immigration.

The Problem

The basin countries have been seriously affected by the escalating cost of imported oil and declining prices for their major exports (sugar, coffee, bauxite,

etc.). This has exacerbated their deep-rooted structural problems and caused serious inflation, high unemployment, declining gross domestic product (GDP) growth, enormous balance-of-payments deficits, and a pressing liquidity crisis. This economic crisis threatens political and social stability throughout the region and creates conditions which Cuba and others seek to exploit through terrorism and subversion.

Development of the Initiative

The United States has been developing its program for responding to the economic crisis in close consultation with potential recipients and other donor countries. Last July Secretary Haig and

Frigate Bay, St. Christopher

(Caribbean Tourism Asso. photo)



U.S. Special Trade Representative William Brock met in Nassau with the Foreign Ministers of Canada, Mexico, and Venezuela. They agreed to sponsor a multilateral action program for the region within which each country would develop its own program. Venezuela and Mexico are making a significant contribution to the basin, particularly through their joint oil facility. Canada recently announced major increases in its foreign assistance to the area. The Colombians also intend to increase their financial contribution to the basin. We expect other donors will also expand their efforts in the areas of trade and investment.

Key Elements of Proposed U.S. Program

The proposed U.S. program consists of integrated, mutually reinforcing measures in the fields of trade, investment, and financial assistance.

The centerpiece of the U.S. program is the offer of one-way free trade. Currently the countries of the region are already afforded liberal entry into the U.S. market. Nevertheless, some of the duties which remain in place are in sectors of special interest to the basin countries. They also limit export expansion into many nontraditional products.

The President will request from the Congress authority to eliminate duties on all imports from the basin except textiles and apparel. Sugar imports will receive duty-free treatment but only up to a certain limit in order to protect the U.S. domestic sugar price support program mandated by Congress. A safeguard mechanism will be available to any U.S. industry seriously injured by increased basin imports. Rules of origin will be liberal to encourage investment but will require a minimum amount of local content (25%). The President will have discretion to designate beneficiaries, taking into account countries' own efforts to carry out necessary reform of their internal economic policies.

The Bahamas

Area: 5,380 sq. mi.
Population: 240,000
Capital: Nassau
GDP: \$1.3 million (1980)
Major Trade Items: Imports—petroleum
Exchange Rate: 1 Bahamian dollar = US\$1.00

With a per capita GDP of approximately \$4,800, The Bahamas is among the most developed of the Caribbean islands. Traditionally, the country has managed its balance of payments and government accounts without serious difficulty. In 1979 and 1980, The Bahamas registered balance-of-payments surpluses. In 1980 government revenues totaled \$260.1 million and expenditures \$262.5 million. Growth rates have been excellent, with 8% gains registered in 1978 and 1979 and 3-4% in 1980.

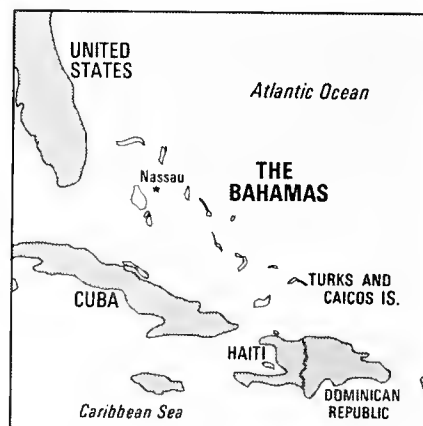
The economy is not likely to duplicate this performance in 1981 and 1982. While the islands' off-shore banking business continues to be strong, tourism, by far the most important industry, has slackened due to several factors. The strongest factor affecting tourism is the U.S. recession. However, substantial pay raises for hotel employees and the strong U.S. dollar, to which the Bahamian dollar is pegged, may also have tended to make The Bahamas' tourism industry less competitive. Construction of tourist hotels and dwellings has dipped, in part due to a Bahamian law which restricts foreign property ownership.

The President will also seek congressional authorization to grant U.S. investors in the Caribbean Basin a significant tax measure to encourage investment. We are still consulting with the Congress on the exact measures to be employed.

The President will request a fiscal year (FY) 1982 supplemental economic assistance appropriation of \$350 million to provide emergency assistance for

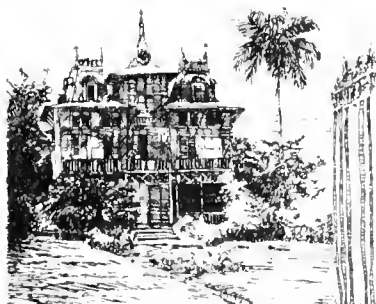
There is an increasing tendency for unemployed and underemployed young adults living on the outer islands to migrate to Grand Bahama and New Providence. To counter this influx, the Government of The Bahamas has concentrated its development efforts in the outer islands to create employment opportunities and build fishing and agriculture production.

With limited potential for agriculture, The Bahamas relies heavily



on food imports from the United States. If other Caribbean countries were to boost their food production, and a reliable cargo service could be developed, The Bahamas could conceivably be a potential market. ■

several key countries whose situation is particularly critical. That will bring proposed FY 1982 economic assistance to \$824.6 million, or \$403 million above FY 1981. The Administration's request is for \$664.5 million in FY 1983 economic assistance. As the table on page 15 shows, the security assistance is only a small portion of the total assistance provided by the United States to the Caribbean Basin region.



FEATURE Caribbean Basin

Other Economic Initiatives

- The United States will extend more favorable treatment to Caribbean Basin textile and apparel exports under bilateral and multilateral agreements while continuing our overall policy of seeking tighter limits on import growth from our major suppliers.

- The United States will seek to negotiate bilateral investment treaties with interested countries.

- The United States will work with multilateral development banks and the private sector to develop insurance facilities to supplement the noncommercial investment risk insurance operation of the Overseas Private Investment Corporation (OPIC).

- The U.S. Export-Import Bank will expand protection, where its lending criteria allow, for short-term credit from commercial banks to basin private sectors for critical imports.

- The United States will work with each country to develop private sector strategies to coordinate and focus development efforts of local business, U.S. firms, and private voluntary organizations. The strategies will seek to remove impediments to growth, including lack of marketing skills, shortages of trained manpower, poor regional transport, and inadequate infrastructure.

Potential Beneficiaries of the Caribbean Basin Initiative, 1980

TOTAL AREA: 494,684 square miles

TOTAL POPULATION: 39 million

TOTAL GDP: \$45 billion

Country	Area (square miles)	Population (millions of persons)	Gross Domestic Product (\$ millions)	Exports to U.S. (\$ millions) ¹	Imports from U.S. (% of total) ¹
Bahamas	5,380	.24	1,267	1,302	11
Barbados	166	.25	815	85	34
Belize	8,866	16	165	57	44
Cayman Islands	118	.15	—	3	—
Costa Rica	19,700	2.24	4,847	348	34
Dominican Republic	18,712	5.43	6,733	634	44
Eastern Caribbean (Anguilla, Antigua and Barbuda, British Virgin Islands, Dominica, Grenada, Montserrat, Saint Christopher-Nevis, Saint Lucia, Saint Vincent and the Grenadines)	812	65	500	37	45
El Salvador	8,260	4.50	3,484	404	31
Guatemala	42,000	7.26	7,852	423	35
Guyana	83,000	.79	524	123	28
Haiti	10,714	5.01	1,453	240	57
Honduras	43,277	3.69	2,538	432	41
Jamaica	4,411	2.19	2,402	380	29
Netherlands Antilles	394	27	—	2,436 ²	6
Nicaragua	147,888	2.70	1,566	206	34
Panama	28,753	1.94	3,511	262	22
Suriname	70,060	39	109	114	29
Trinidad and Tobago	1,980	1.14	6,708	2,326 ²	26
Turks and Caicos Islands	192	01	—	3	—

¹ Source: International Monetary Fund, *Directories of Trade Statistics Yearbook, 1974-80*

² Primarily processed products of imported crude oil

Puerto Rico and the U.S. Virgin Islands

A series of measures will support the efforts of Puerto Rico and the Virgin Islands to play a dynamic role in the Caribbean region. For example, involvement of the possessions will be critical to the success of private sector development strategies. In addition, the U.S. Government has consulted closely with Puerto Rico and the Virgin Islands about the Caribbean Basin initiative. Legislation under the initiative will reflect Puerto Rican and Virgin Islands interests in many important ways. Excise taxes on all imported rum will be rebated to Puerto Rico and the Virgin Islands. Inputs into Caribbean Basin production from the possessions will be considered domestic under the rules of origin. Their industries will have access to the same safeguards provisions as mainland industries.

SPECIFIC U.S. ECONOMIC MEASURES

The U.S. program for the Caribbean Basin initiative has been developed over the last 8 months in an intensive inter-agency process and wide-ranging consultations with the governments and the private sectors of donor and potential recipient countries. The resulting integrated program of trade, investment, and aid attacks both emergency problems and structural impediments to long-range economic development.

The backbone of the program is the offer of one-way free trade. While the economic benefits are long term, the offer of an unimpeded U.S. market to those small nations is a major political commitment with immediate impact. It will also strongly encourage sound internal economic policies.

Investment incentives (particularly extension of a significant tax incentive for U.S. direct investment in the basin) promise an immediate return to U.S. investors who undertake the increased

Barbados

Area: 166 sq. mi.
Population: 250,000
Capital: Bridgetown
GDP: \$815 million (1980)
Major Trade Items: Exports—sugar;
Imports—petroleum
Exchange Rate: 2 Barbadian dollars = US\$1.00

The Barbadian economy has been a strong performer in recent years in spite of its small size and geographical isolation. The primary causes for this success have been an effective, stable government; a strong commitment to private enterprise and free markets; a cooperative, pragmatic approach by labor unions; and a highly literate and trainable work force. Barbados has a very open economy, vulnerable to cyclical world trends in prices and demand.

Barbados achieved a consistent level of economic growth, averaging 5% from 1976 to 1980, before dipping to a prob-

able slight negative growth in 1981. The partial recovery of the industrial nation following rapid oil price increases in the early 1970s, and increased levels of private investment in tourism and manufacturing, contributed to the 1976-80 boom. This rapid growth reduced unemployment from an estimated 25% in 1975 to about 12% in 1980.

In 1980 international inflation, increased levels of public and private investment, a strong demand for consumer goods, and an increased oil bill led to a large increase in imports. Due to booming sugar prices and production which reached its highest level since 1971, and tourist receipts, exports revenues outpaced import growth. Net private capital inflows, in contrast with previous years, were relatively low, largely a consequence of high interest rates abroad and of increased interest rate differentials between financial markets abroad and Barbados.

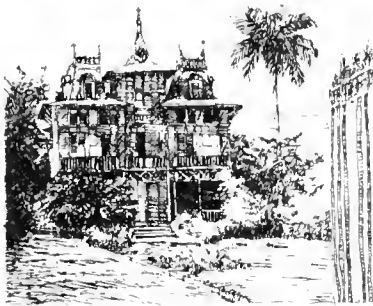
In 1981 foreign exchange earnings dropped in real terms due to declines in tourism growth and the value of sugar exports, contributing to a balance-of-payments deficit. The decline in tourism growth was primarily due to a Caribbean-wide downturn in tourism caused by recession in developed countries and, to a much lesser degree, to competition caused by the rebound of Jamaica's tourist industry. The drop in sugar receipts was due to a relatively poor harvest and a drop in the world price in the last part of the year.

Fortunately, nontraditional light industry continued to show impressive growth, particularly in electronic component assembly. This diversification has enabled the nontraditional export sector to replace sugar as Barbados' second most important foreign exchange earner after tourism. U.S. investment on the island totals over \$100 million and accounts for an estimated 5,500 jobs. ■



(Department of State photo)

Bridgetown, founded by the British in 1628, is the capital, commercial center, and major port of Barbados. The port serves also as an important transshipment point for the Caribbean Basin.



FEATURE Caribbean Basin

risk perceived in the basin. They thus encourage the location of new production there.

The emergency economic aid program confronts the acute liquidity crisis faced by many countries in the region. At stake is the survival of the private sector and with it the pluralism, diversity, and political moderation on which viable long-run policies depend. The development assistance and economic support funds in the FY 1983 budget, which incorporate significant increases from earlier years, will be directed into new programs aimed at removing basic impediments to growth.

In order to insure that Puerto Rico and the Virgin Islands not only can contribute to, but benefit from, these new policies, a package of new measures concerning them is being prepared.

Free Trade Area

Given the serious economic deterioration in the Caribbean Basin region, the trade component of the Caribbean Basin initiative was designed to provide the most favorable access possible for exports from the basin. Currently the countries of the region are already afforded liberal entry into the U.S. market. (In 1980, \$6.4 billion—out of total Caribbean Basin exports to the United States of \$10.4 billion—were free of duty; a large part of dutiable trade was accounted for by petroleum—\$2.7 billion—for which tariffs are not economically meaningful.) Nevertheless, some of the duties which remain in place are in sectors of special interest to the basin countries. They also limit export expansion into many non-traditional products.

The generalized system of preferences (GSP) already extends duty-free treatment on many products to a large number of developing countries. However, the GSP has a complex structure which limits the ability of small and relatively inexperienced traders—which is the case in a great many of the Caribbean Basin's enterprises—to take advan-

Area: 8,866 sq. mi.
Population: 150,000
Capital: Belmopan
GDP: \$165 million (1980)
Major Trade Items: Exports—sugar, garments, citrus fruits; Imports—petroleum
Exchange Rate: 2 Belize dollars = US\$1.00

Almost immediately upon achieving independence, Belize finds itself facing a difficult short-term economic situation. Belize enjoys a large land area relative to its small population and has the physical resources necessary to support a strong agricultural base, but the next few years will be difficult. With little industry, inadequate infrastructure, a shortage of skilled labor, and an uncertain resolution of its border dispute with Guatemala, Belize faces an uphill fight to achieve sustainable growth. The recent fall in world sugar prices, combined with capital flight and stagnation in manufacturing activity, has sharply compounded the country's immediate economic problems.

Over the middle term, Belize possesses considerable development potential. The country has extensive timber reserves and enjoys soil and climatic conditions conducive to the cultivation of vegetables, tropical fruits, and the raising of livestock. Tourism shows some promise, as well as labor-intensive nontraditional export industries. But in order for this potential

tage of the opportunities which GSP offers. Many of the more promising prospects for basin exports are in product categories which have been legislatively excluded from the GSP program for global reasons which are not relevant to the Caribbean Basin. Also, GSP has both dollar and percentage limitations which are arbitrary in their application to many Caribbean Basin products.

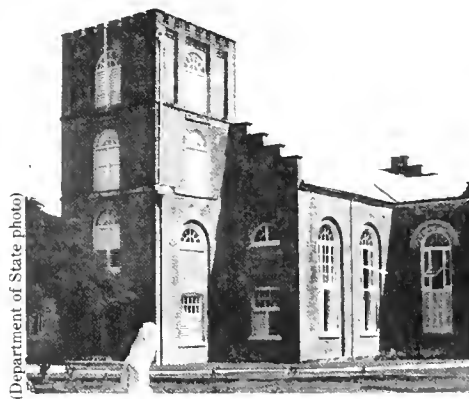
Belize

to be realized, the short-term problems will have to be overcome.

The situation in agriculture requires bringing more land under cultivation, both to increase the volume of export crops, such as bananas, and to reduce food imports. Foodstuffs currently comprise over 20% of total imports.

In industry, Belize has considerable potential for agroprocessing and forest-based enterprises. To realize these opportunities, Belize will have to build investor confidence and remedy the current shortage of skilled manpower.

Private sector development in agriculture and manufacturing will also continue to be linked to progress in improving the country's infrastructure. ■



(Department of State photo)

St. John's Cathedral in Belize, founded in 1812, is the oldest Protestant church in Central America. Most Belizeans are of multiracial descent and about half are Protestant.

Therefore, the Administration will seek legislative authority to grant beneficiaries in the Caribbean Basin duty-free treatment for 12 years for all products with the sole exception of textiles and apparel items which are subject to textile agreements. Sugar imports will receive duty-free treatment but only up to a certain limit in order to protect the U.S. domestic sugar price support program mandated by Congress. The

Secretary of Agriculture will retain standby authority to further limit the entry of duty-free imports should this be necessary to protect the sugar program.

A safeguard mechanism will be available. This will require a finding by the International Trade Commission that increased imports are a substantial cause of serious injury or threat thereof to U.S. domestic industry and a recommendation to the President to grant relief (e.g., a restoration of the tariff). Where safeguard relief is sought for perishable commodities, the legislation provides authority for the Secretary of Agriculture to recommend to the President the restoration of most-favored-nation (MFN) treatment on an immediate basis if warranted pending the completion of the formal escape clause process.

The rules of origin under the free-trade arrangement are an important factor in determining the accessibility of duty-free access for resource-poor basin countries. The free trade area has been designed to avoid fostering the type of investment in the region which would result in mere "pass-through" operations involving little value added in the country. The Administration does not want to reduce the level of required local input to the point where the free trade area will encourage "runaway plants." Because of the relatively low level of development of many of the countries in the region and their limited access to local inputs, the free trade area will require that basin countries supply a minimum of 25% of local value added. Inputs from all basin countries can be cumulated to meet the 25% minimum. Inputs from Puerto Rico and the Virgin Islands will be treated as Caribbean products for purposes of the rules of origin.

The President will have discretion to designate countries in the Caribbean Basin as beneficiaries of the free trade area subject to many of the same caveats contained in the GSP system (nondesignation of Communist countries and of countries which expropriate

British Virgin Islands

Area: 59 sq. mi.
Population: 11,000
Capital: Road Town
GDP: \$30 million (1980)
Major Trade Items: Exports—fresh fish, gravel, sand; Imports—foodstuffs, petroleum
Exchange Rate: U.S. dollars are used

The British Virgin Islands are divided into two separate and distinct sets of islands—the Virgin Gorda grouping and the Tortola grouping. Virgin Gorda maintains a large, well-equipped yacht basin which offers complete winter lodgings for international yachtsmen. The

majority of the islands' tourist facilities are geared toward the needs of the yacht trade which supplies a major portion of the British Virgin Islands' income. Conversely Tortola caters to the upper-class hotel tourists who seek seclusion and superior accommodations

The British Virgin Islands is also known for its expertise in cosmetic surgery. A portion of the government's income is derived from its renowned hospital which features plastic and reconstructive surgery.

Offshore banking has recently evolved as an important sector to the British Virgin Islands' economy. ■



(Photo by Dick Mermont)

Cayman Islands

Area: 118 sq. mi.
Population: 16,677
Capital: Georgetown
GDP: \$73 million (1977)
Major Trade Items: Exports—turtle shells, tropical and dried fish; Imports—foodstuffs, textiles, building materials
Exchange Rate: .833 Cayman dollar = US\$1.00

The Cayman Islands are situated about 200 miles northwest of Jamaica and southeast of Cuba. The remote islands have few basic resources other than the sand and the sea, which make them popular tourist centers. With the exception of turtle farming, local industry and agriculture is geared to the domestic market only. Because of the absence of taxation, the islands have attracted any number of offshore banking and trust companies. The United States is the major source of imports and tourists. ■



FEATURE Caribbean Basin

without compensation or which discriminate against U.S. exports). The President will also take into account economic criteria such as the attitude of the beneficiaries toward private enterprise and the policies recipient countries are pursuing to promote their own development. The U.S. Government will enter into discussions with the Caribbean Basin countries to develop self-help objectives.

The free trade area will require the United States to seek a waiver of the General Agreement on Tariffs and Trade (GATT).

Textiles

The textile and apparel industry in most Caribbean Basin countries is of modest scale. U.S. imports from the region in 1981 amounted to \$472 million and 192 million square yards equivalent, accounting for 6% of total U.S. imports of apparel on a volume basis.

Most textile exports from Caribbean Basin countries to the United States are made by U.S. companies which assemble garments in those countries from fabric produced and cut in the United States. Under Section 807 of the U.S. tariff code, these companies pay duty only on the value added abroad.

In 1981 the United States exported \$8 million worth of textile machinery and \$519 million worth of textile and apparel products to the Caribbean Basin countries, much of the latter as cut fabric for assembly into garments.

International textile trade is governed by the provisions of the GATT arrangement commonly known as the multifiber arrangement (MFA). The MFA provides a framework for insuring orderly development of textile and apparel trade while avoiding disruption of importing country markets. In recognition of the special nature of textile trade as reflected by the MFA, textile and apparel products are not proposed for duty-free treatment under the Caribbean Basin initiative. The U.S. Government intends, however, to allow more favorable access for Caribbean Basin

Costa Rica

Area: 19,700 sq. mi.
Population: 2.24 million
Capital: San Jose
GDP: \$4.9 billion (1980)
Major Trade Items: Exports—coffee, bananas, beef; Imports—petroleum
Exchange Rate: 8.57 colones = US\$1.00

Traditionally the most prosperous of the Central American countries, Costa Rica is in the midst of a severe financial crisis. High oil prices, reduced coffee prices, and years of high public sector deficits and external borrowing have brought the country to a state of virtual bankruptcy. Foreign exchange reserves are depleted and the country has fallen behind in repayments of external debt. A decline in GDP, 60% inflation, and rising unemployment occurred in 1981. These trends continued into 1982.

Because of Costa Rica's traditional prosperity, U.S. Government assistance has, in recent years, been limited to a modest-sized development assistance program. In recognition of Costa Rica's worsening economy, the United States is proposing an increased assistance package combining development assistance, a food-for-peace program, and balance-of-payments support. The increased assistance will be used primarily for credit for the private sector.

Costa Rica has been in discussions with the International Monetary Fund (IMF) for an economic stabilization program. The country is also negotiating a private debt rescheduling. If successful, an official rescheduling is likely to

products, on a case-by-case basis within the context of overall Administration textile policy implementing the MFA. The U.S. Government will continue to seek tighter limits on import growth from our major suppliers.

The United States has textile trade agreements with Haiti, the Dominican Republic, Costa Rica, and Jamaica, which set agreed levels of trade for certain products. (No quotas are currently in effect under the Jamaica agreement.)

follow. Increased international assistance will provide a psychological boost to investment in Costa Rica, but the country's economic recovery will require compliance with an IMF program and other economic reforms. Even with an IMF agreement and increased official assistance, Costa Rica will face several years of austerity and falling real incomes as the government will be forced to restrain imports, credit, and public spending. ■



(Department of State photo)

The National Theater in San Jose, Costa Rica, was inaugurated in 1897. It is constructed in elaborate rococo style, copied from the Opera Comique in Paris. It was the site of the 1963 meeting of the Central American chiefs of state.

Tax Measures

The Administration recognizes that some U.S. entrepreneurs may be hesitant to invest in some Caribbean Basin countries. The risk may be perceived as high for venture capital, especially when coupled with the start-up costs of developing new markets and marketing channels, training new local employees and managers, and overcoming trans-

portation bottlenecks to insure a steady flow of raw materials and export products.

For this reason, the Administration is developing a tax proposal to encourage U.S. investment in the Caribbean Basin. We are still consulting on the exact nature of this proposal. An example of a possible tax measure under discussion is a 5-year legislative extension of the domestic investment tax credit for up to 10% of the amount of fixed asset investment in the countries of the region. Such a system would operate in much the same fashion as does the tax credit for investment currently in effect in the United States. The tax credit would be granted for a 5-year period to individual countries which enter into executive agreements for tax administration purposes. After the 5-year period, the program would be evaluated and a decision made on whether to continue the extension. The credit would permit U.S. businesses to reduce their net tax liability in the United States.

Bilateral Investment Treaties

Bilateral investment treaties are intended to help stabilize the bilateral investment relationship with a developing country by establishing an agreed legal framework for investment, by assuring certain minimum standards of treatment, and by providing agreed means for resolving investment disputes.

Other developed countries are further along in their bilateral investment treaty programs than the United States. (The Federal Republic of Germany, for example, has approximately 50 outstanding.) During 1981 the United States developed a prototype and late in the year began discussions with several countries. It is generally agreed that the U.S. prototype treats the investment issue more comprehensively than the treaties signed by other developed countries and has the potential to have a greater impact on investment climates in

Dominican Republic

Area: 18,712 sq. mi.

Population: 5.43 million

Capital: Santo Domingo

GDP: \$6.7 billion (1980)

Major Trade Items: Exports—sugar, coffee, cacao, gold, ferronickel

Exchange Rate: 1 peso = US\$1.00

Economic growth in the Dominican Republic has been running at around 5% for the past several years. However, it was down in late 1981 (to a figure of about 3.5% growth for 1981), and last year's plunge in world prices for all of the Dominican Republic's major exports—sugar, coffee, cacao, gold, ferronickel, and bauxite—has produced a gloomy outlook for 1982. Dominican foreign exchange earnings from sugar in 1982 are expected to decline by about \$200 million. The Dominican Republic has been hard hit by high oil prices; last year the country spent over \$400 million on petroleum products.

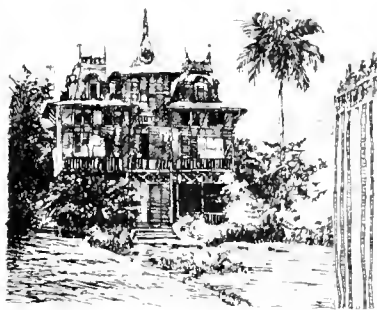
Last year the Dominican Government began tightening imports, credit, and public sector spending in anticipation of the 1982 shortfalls, and a slackening of economic growth resulted. Despite the government's conservative monetary and fiscal policies, the public sector deficit will increase this year as lower export prices will lead to a sharp drop in government revenue. This will make it more difficult for the government to proceed with its plans to expand use of hydroelectric and coal generating plants in order to lessen dependence on oil. The government will come under increasing pressure to relax its austerity measures as the May 1982 elections approach.

Sugar is the primary sector of the Dominican economy, and there is much concern in the country about U.S. sugar policy and its possible effect on world sugar prices. ■



(Department of State photo)

This statue of Christopher Columbus stands in Santo Domingo—the oldest city in the Western Hemisphere, founded in 1496. In 1542 Columbus' remains and those of his son Diego were moved from Spain and interred in the Cathedral of Santo Domingo.



FEATURE Caribbean Basin

less developed countries (LDCs). The key elements of the U.S. prototype bilateral investment treaty are:

- Provisions concerning entry and duration of investment;
- Treatment for established U.S. investors which is no less favorable than that given domestic investors and other foreign investors;
- Prompt, adequate, and effective compensation in the event of nationalization;
- Unrestricted repatriation and other transfers of assets; and
- Dispute settlement provisions.

The United States is prepared to negotiate bilateral investment treaties with interested countries in the Caribbean Basin. Negotiations have already begun with Panama, at that country's initiative.

Investment Insurance and OPIC Programs

The Overseas Private Investment Corporation currently offers political risk insurance for U.S. investors in approximately 100 developing countries. Coverages offered are for expropriation, war risk, and inconvertibility. Similar programs are offered by other developed countries, although their participation in Latin America varies according to perceived commercial and strategic interests.

OPIC also has other programs to facilitate U.S. investment flows to the Caribbean Basin region. OPIC can make direct loans for certain kinds of investments. This authority is used almost exclusively in the region. OPIC also organizes missions of U.S. business representatives to explore investment opportunities. In late 1981 OPIC took investment missions to two basin states, Jamaica and Haiti.

OPIC is increasing its activities in the Caribbean Basin in both the insurance and other programs. However, for legislative and other reasons, there are gaps in insurance coverage available

to Caribbean Basin investment. These include:

- Limited coverages in countries where OPIC is at or near its country limit;
- Lack of general coverage for non-developed country investment, i.e., regional investment, domestic investment, Organization of Petroleum Exporting Countries (OPEC) investment; and
- Lack of sufficient coverage for major investments in mining and energy production.

To expand insurance coverage available to eligible U.S. investors, OPIC is working with private sector insurers to establish informal consortia where appropriate on a project-by-project basis. Mixed coverage of this kind is currently

being discussed for a major project in the basin.

For other investments not eligible for OPIC coverage, some form of multilateral insurance may be possible. World Bank (IBRD) President Clausen stated his interest in examining such a scheme in his September 1981 speech to the World Bank Board of Governors.

Concessional Aid

Concessional U.S. assistance is expected to increase rapidly under the Caribbean Basin initiative. The three primary tools for providing direct economic aid are:

- Development assistance, which is project oriented, with emphasis on agriculture, health, and population problems;

Summary of U.S. Economic and Military Assistance to the Caribbean Basin

(\$ millions)

	1981 (Actual)	1982 (Budget)	1982 (Supplemental— to be proposed to Congress)	1983 (Proposed— overall figures submitted in FY 1983 budget)
Economic¹	419.6	474.6	350.0	664.5
Development Assistance	167.4	211.3	—	217.6
Economic Support Fund (ESF)	143.4	140.0 ²	350.0	326.0
Food Aid (PL 480)	108.8	123.2	—	120.9
Military	50.51	112.14	60.0	106.23
International Military				
Education and Training	2.22	3.24	—	4.93
Foreign Military Sales Credits	23.29	41.4	—	101.3
Grants (Military Assistance Program and under Section 506A of the Foreign Assistance Act)	25.0	67.5	60.0	—
TOTAL ASSISTANCE	471.11	586.74²	410.0	770.73
Percent Military	10.7%	19.1%	14.6%	13.8%

¹For allocation by country, see pp 18-19

²Includes \$20 million earmarked for Nicaragua in the FY 1982 International Security and Development Cooperation Act. The Foreign Assistance and Related Program Appropriations Act, 1982 contains no specific reference to Nicaragua, however, it was the intention of the committees as reflected in the Appropriations Conference Report that no funds should be spent for these purposes. The disposition of these funds will be decided after further consultation with Congress.

- Economic support funds (ESF), which are more flexible and can provide direct balance-of-payments support as well as credit for crucial imports; and
- Food aid, provided through PL 480 programs, which provides needed foreign exchange and generates counterpart development funds.

Some increase of total concessional assistance to the Caribbean Basin is planned in FY 1982 under the current budget level. A major increase will be achieved, however, through a \$350 million supplemental request to Congress to increase FY 1982 funding. In FY 1983 the proposed level is more than 50% higher than the actual level of obligations in FY 1981 and double the FY 1980 level.

The bulk of the planned increase in U.S. assistance is in the economic support fund program for the region. ESF assistance for the basin would increase from \$15 million in FY 1980 to \$490 million in FY 1982 if the supplemental request is approved and to \$326 million in FY 1983. The ESF would be used primarily to finance private-sector imports, thus strengthening the balance of payments of key countries of the basin while facilitating increased domestic production and employment. At the same time, we will be discussing with other donors such as the International Monetary Fund and the World Bank, and with the policymakers of these countries, possible reform measures to insure that the ESF assistance is utilized effectively and will have the greatest possible impact on local production and employment.

In FY 1982, development assistance for the basin will increase by \$44 million, or 25%, over the FY 1981 level. In FY 1983, \$218 million of development assistance is proposed, a further increase of 3% over the FY 1982 level. These amounts are approximately the same as the \$215 million of development assistance provided in FY 1980, but the level in FY 1980 was extraordinarily high since it included funding provided in response to several natural disasters

in the Caribbean as well as to the worsening situation in Central America.

Food for Peace assistance under PL 480 is projected to increase by \$40 million, or nearly 50%, over FY 1980 levels. This will increase the foodstuffs available in the basin countries while also providing balance-of-payments support. Local currency generated through this assistance supports local development activities and helps reduce government budget deficits. Conditions associated with this assistance relate to macroeconomic policy reforms as well as policies and programs to increase agricultural production.

Assistance under the Caribbean Basin initiative will be focused increasingly on private sector support. Both capital and technical assistance will be provided to ameliorate infrastructure, credit, institutional, and training constraints to trade and investment expansion throughout the area.

The table on pages 18-19 shows:

- Actual amounts of concessional assistance to the basin in FY 1980 and 1981;
- Current planning figures for FY 1982; and
- Congressional presentation proposals for FY 1983.

El Salvador

Area: 8,260 sq. mi.
Population: 4.5 million
Capital: San Salvador
GDP: \$3.5 billion (1980)
Major Trade Items: Exports—coffee, cotton; Imports—petroleum
Exchange Rate: 2.5 colones = US\$1.00

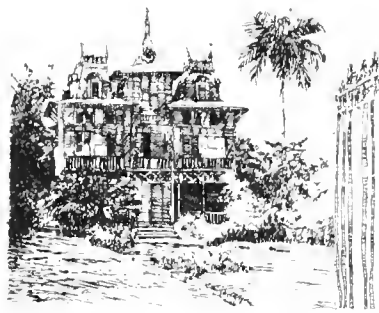
El Salvador's economy is torn by an intractable combination of deteriorating terms of trade, the inevitably negative effects of fundamental economic and social reform, and a highly destructive guerrilla insurrection. Private external credit has been entirely cut off, capital flight now totals something over \$500 million, and net private investment has been negative for at least 2 years. GDP growth was negative again in 1981, for the third year in a row.

Even without an ongoing insurrection, El Salvador would be facing serious economic difficulties. Falling coffee prices dealt the first blow. The effect on production and investment of politically necessary economic reforms then greatly increased uncertainty. Production has declined, straining the administrative and financial resources of the government. The reform program is going ahead in spite of a number of

implementation problems, but production, particularly for export, will undoubtedly suffer for at least the near-term future. Construction is off about 60% and tourism has dropped to near zero. Unemployment is up to at least 25%.

Economic fall-out from the insurrection has been serious thus far, in spite of some success by the government in restricting the operational area of the rebels. The problem now is not so much direct attacks on industry; it is the indirect impact of attacks on infrastructure and the more serious negative effects they have on investor psychology. The insurrection has also effectively closed off the economy from foreign bank credits. For that reason local industry and remaining private agriculture is suffering as much from the lack of working capital as from other negative elements in the economy.

El Salvador is receiving major assistance from the United States, Mexico, Venezuela, and international financial institutions. Without additional help, however, as well as a reduction in internal violence, it will be very difficult to avoid a further drop in GDP in 1982 and perhaps also in future years. ■



FEATURE Caribbean Basin

Country planning figures for the \$350 million supplemental for FY 1982 will include increases to El Salvador, Costa Rica, and Jamaica. Other recipients will be countries such as Honduras, Dominican Republic, Belize, and the eastern Caribbean.

Agricultural Modernization

The Caribbean Basin initiative accords a high priority to the problems of the region's food and agriculture sector. The U.S. Department of Agriculture (USDA) has special expertise which can help modernize the basin's agriculture.

Agricultural output in the Caribbean Basin countries increased only 1.5% in 1981, down sharply from the 4%-6% growth trend of the 1970s. World prices are currently soft for the region's major agricultural exports (bananas, coffee, beef, sugar, cotton, and cocoa).

Agricultural commodities account for about half of the basin's export earnings.

Although the agricultural sector's contribution to the economies of the region has been steadily declining (and nowhere exceeds 40%), about 57% of the region's population is still rural. Modernization of the agricultural sector is vital to meeting the food needs of the region's growing populace and to enhance export earnings.

Improving Animal and Plant

Health and Quality. Plant and animal products exported to the United States must meet U.S. agricultural health and sanitary regulations which USDA enforces. USDA is prepared to make a concerted, coordinated effort to promote increased regional understanding of U.S. agricultural health and sanitary regulations, to provide technical assistance on plant inspection procedures and on operating fumigation facilities, and to offer training in enforcing health and sanitary regulations. An interagency group is working to develop means for providing assistance to comply with U.S. health and sanitary regulations.

An animal disease-free Caribbean Basin would be mutually beneficial to

Grenada

Area: 133 sq. mi.
Population: 110,000
Capital: Saint George's
GNP: \$61.3 million (1978)
Major Trade Items: Exports—nutmeg, bananas, cocoa; Imports—beverages, tobacco, machinery
Exchange Rate: 2.70 eastern Caribbean dollars = US\$1.00

The island of Grenada is located approximately 100 miles north of Trinidad and the Venezuelan mainland. It has a population of about 110,000. Grenada's principal exports have traditionally been nutmeg, bananas, and cocoa. It is currently ruled by a Marxist-oriented government which came to power through a 1979 coup and has since re-

fused to hold democratic elections. Since the coup, the Grenadian economy has been in steady decline.

Tourism, once an important source of foreign exchange, has dropped precipitously, and there has been little new private investment. The small private business sector which remains on the island faces an uncertain future. ■

Grenada, known as the "Isle of Spice," is famous for its nutmeg, cacao, and cinnamon. This decades-old lighthouse at Point Saline on the southern tip of the island offers a view of the many inlets.

(Photo by Abon Jack Lowe, *Americus*)



the region and the United States. The U.S. Agency for International Development (AID) and USDA have programs to contain and eradicate swine fever and encephalomyelitis. Additional cooperation in this field is envisioned.

Caribbean Basin countries need to better gear their agricultural production to the standards of the world market, to better serve their domestic and export needs both in terms of quality and seasonal availability. To aid these countries to achieve acceptable standards and grades, technical assistance could be offered from USDA, drawing on the experience of the Food Quality and Safety Service which assures that all imported food products meet U.S. standards for proper labeling and wholesomeness. Technical advice could assist Caribbean exporters to serve the world market by supplying quality products which may not be available otherwise at reasonable prices. Minimizing losses during distribution and storage of perishables is essential to the successful marketing of these products.

Promotion of Agroindustries.

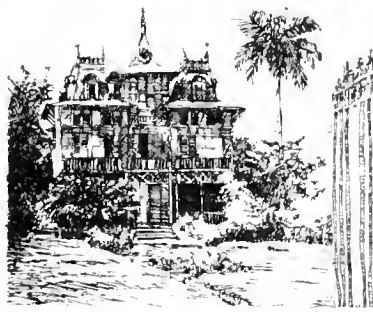
USDA has begun to play an important role in facilitating the involvement of U.S. agribusiness in developing countries. Technical expertise found in U.S. agribusiness can help solve agricultural problems in developing countries and to provide additional opportunities for U.S. firms. Given the relatively small economies of the Caribbean Basin countries, agroindustries must be carefully designed with regard to location and scale. USDA is already actively involved in providing agribusiness development assistance to Jamaica, including the formulation of joint ventures, provision of management expertise, and the sale of U.S. capital goods.

Expanding Agricultural Research and Training Opportunities. Both Puerto Rico and the Virgin Islands have proposed establishment of a tropical agriculture research center for the entire Caribbean region. Establishing such a center on U.S. territory can take advantage of linkages with the entire U.S.

U.S. Economic Assistance to the Caribbean Basin¹

(\$ millions)

	FY 1980 (Actual)	FY 1981 (Actual)	FY 1982 (Budget)	FY 1982 (Supplemental)	FY 1983 (Request)
Costa Rica	13.6	13.3	51.3	70.0	85.0
Development Assistance	13.6	11.5	13.0	—	15.0
Economic Support Fund	—	—	20.0	70.0	60.0
PL 480	1	1.8	18.3	—	10.0
Dominican Republic	54.8	36.8	45.2	40.0	46.8
Development Assistance	34.6	17.4	24.7	—	26.0
Economic Support Fund	—	—	—	40.0	—
PL 480	20.2	19.4	20.5	—	20.8
El Salvador	58.5	104.5	104.5	128.0	164.9
Development Assistance	43.2	33.3	35.0	—	25.0
Economic Support Fund	9.1	44.9	40.0	128.0	105.0
PL 480	6.3	26.3	29.5	—	34.9
Guatemala	11.4	16.7	11.8	—	13.0
Development Assistance	7.8	9.1	5.8	—	8.0
Economic Support Fund	—	—	—	—	—
PL 480	3.7	7.6	6.0	—	5.0
Guyana	5.0	1.2	2.3	—	2.7
Development Assistance	2.5	1.2	2.2	—	2.6
Economic Support Fund	—	—	—	—	—
PL 480	2.4	—	1	—	.1
Haiti	27.9	34.1	31.5	5.0	34.7
Development Assistance	10.1	9.2	12.0	—	15.0
Economic Support Fund	1.0	—	—	5.0	—
PL 480	16.7	24.9	19.5	—	19.7
Honduras	50.7	36.1	38.0	35.0	63.1
Development Assistance	45.8	25.7	28.8	—	29.0
Economic Support Fund	—	—	—	35.0	25.0
PL 480	4.8	10.4	9.2	—	9.1
Jamaica	12.7	69.1	87.1	50.0	112.0
Development Assistance	2.7	12.9	29.6	—	37.0
Economic Support Fund	—	41.0	40.0	50.0	55.0
PL 480	10.0	15.2	17.5	—	20.0
Nicaragua	37.0	59.6	23.1²	—	—
Development Assistance	18.3	1.8	2.4	—	—
Economic Support Fund	1.1	56.6	20.0 ²	—	—
PL 480	17.6	1.2	.6	—	—



FEATURE Caribbean Basin

agricultural research and educational system. USDA, through its own research organizations and in concert with the land grant universities, can play a useful role in advising both the hosts and financiers of such a center. Careful coordination will be necessary with existing educational and research institutions in the region, such as the Center for Agricultural Research and Training located in Costa Rica.

Expanded agricultural training activities are anticipated as a result of the Caribbean Basin initiative. Examples of USDA's involvement include a recent agricultural credit course in Haiti, a comprehensive agricultural training plan in Guyana, and a tropical forestry curriculum developed in cooperation with the Forest Service's Tropical Forestry Station in Puerto Rico. Training of plant health inspectors from the Caribbean can also be envisioned.

Coordinating Bilateral Agricultural Programs With Multilateral Organizations. USDA experts, as well as short-term consultants, work with international organizations involved in the Caribbean Basin. USDA is represented on the governing bodies of the Inter-American Institute for Cooperation on Agriculture, as well as other such organizations, and thereby helps direct the organizations' programs and policies of assistance. Discussions are now underway with the staffs of the World Bank and the Inter-American Development Bank to establish subcommittees on food and agriculture to function within the framework of the consortia led by the respective banks.

Assistance for Private Sector Development

The U.S. Government will be working with Caribbean Basin governments to design private sector development strategies which combine private, public, and voluntary organizations' resources in imaginative new programs. We will also explore ways to promote regional trading companies, to provide assistance

	FY 1980 (Actual)	FY 1981 (Actual)	FY 1982 (Budget)	FY 1982 (Supplemental)	FY 1983 (Request)
Panama	2.1	10.5	11.2	—	12.3
Development Assistance	1.0	8.6	9.2	—	11.0
Economic Support Fund	—	—	—	—	—
PL 480	1.1	1.9	2.0	—	1.3
Belize	—	—	—	10.0	—
Development Assistance	—	—	—	—	—
Economic Support Fund	—	—	—	10.0	—
PL 480	—	—	—	—	—
Suriname	—	—	—	—	1.0
Development Assistance	—	—	—	—	—
Economic Support Fund	—	—	—	—	1.0
PL 480	—	—	—	—	—
Caribbean Regional	46.1	27.1	50.6	10.0	60.0
Development Assistance	41.2	27.0	30.6	—	30.0
Economic Support Fund	4.0	—	20.0	10.0	30.0
PL 480	9	.1	—	—	—
Regional Office for Central America and Panama	4.2	10.6	18.0	—	19.0
Development Assistance	4.2	9.7	18.0	—	19.0
Economic Support Fund	—	.9	—	—	—
PL 480	—	—	—	—	—
Latin America and Caribbean Regional Program	—	—	—	2.0	50.0
Development Assistance	—	—	—	—	—
Economic Support Fund	—	—	—	2.0 ³	50.0 ⁴
PL 480	—	—	—	—	—
CARIBBEAN BASIN TOTAL:	324.0	419.6	474.6²	350.0	664.5
Development Assistance	225.0	167.4	211.3	—	217.6
Economic Support Fund	15.2	143.4	140.0 ²	350.0	326.0
PL 480	83.8	108.8	123.2	—	120.9

¹ Due to rounding, some figures may not total

² Includes \$20 million earmarked for Nicaragua in the FY 1982 International Security and Development Cooperation Act. The Foreign Assistance and Related Program Appropriations Act, 1982, contains no specific reference to Nicaragua, however, it was the intention of the committees as reflected in the Appropriations Conference Report that no funds should be spent for these purposes. The disposition of these funds will be decided after further consultation with Congress.

³ Specifically for the American Institute for Free Labor Development

⁴ Unallocated for special requirements

to comply with U.S. health and sanitary regulations, to improve transportation links, and in general to remove public and private national and regional impediments to private sector development with emphasis on new investment.

AID will be coordinating this process in Washington, and the AID missions will have a parallel role in the basin countries. Other U.S. Government institutions, particularly the Department of Commerce, and the private sector in the United States and in the basin will have important responsibilities. Puerto Rico and the Virgin Islands will also have an important role in sharing their own expertise and experience. But the creation of an environment which en-

courages business activity will require the leadership of basin governments.

Among the factors that will be considered are: the current condition of the private sector; the business climate; government policies affecting the private sector; public and private institutions serving the private sector; and bottlenecks to significant expansion of investment, production, exports, and particularly jobs. Some of the specific bottlenecks which will be addressed are financing shortfalls, market information and export/investment know-how, deficits in trained people, and infrastructure problems.

Trade Credit Insurance Program

At the present time, U.S. banks are reluctant to provide short-term credits for certain Caribbean Basin countries. This reluctance stems from the banks' perceptions of the serious economic and/or political developments in these countries and their assessment that providing credits in the face of these developments would entail extraordinary risks of loss which they are not prepared to take. Within the Caribbean Basin countries the demand for U.S. credits—which is not being fulfilled because of these risks—is estimated to exceed \$1 billion. To induce the reopening of short term credits, there is a need for

Guatemala

Area: 42,000 sq. mi.
Population: 7.3 million
Capital: Guatemala
GDP: \$7.9 billion (1980)
Major Trade Items: Exports—coffee, cotton, bananas; Imports—petroleum
Exchange Rate: 1 quetzale = US\$1.00

Guatemala has enjoyed greater economic success in recent years than any other country in Central America but is facing economic stagnation in 1982. The rate of economic growth fell in 1981 due to declines in commodity prices, deterioration of the regional market, and the destructive effect of internal violence on tourism. These elements continue to threaten the Guatemalan economy in 1982.

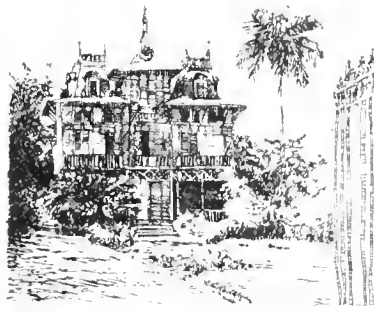
Favored by a relatively large internal market and a strong agricultural base, Guatemala was poised to take full advantage of the Central American Common Market (CACM) when it was created. As a result of the CACM, Guatemalan industry developed into the

largest in Central America. The country also benefitted until recently from a lucrative tourist industry, as well as from a government whose proprivate sector attitudes and caution in contracting external debt left the country in essentially sound economic condition. Guatemala also produces some oil and could be self-sufficient in the near future. A large, modern agricultural sector efficiently produces a variety of crops for the export market.

The major economic problems facing Guatemala are the decline in its regional market, which primarily affects industry, and the possibility that internal and regional political problems will increase and further counterbalance the more positive elements in the economy. Internal violence resulting from guerrilla activities has choked off the tourist trade, increased capital flight, and, if extended, could inhibit production of major agricultural exports. Solutions to these problems must be found if Guatemala is to return to its earlier pattern of successful economic growth and development. ■



The Bank of Guatemala in the capital city displays modernized Mayan designs. The great Mayan civilization flourished throughout much of what is now Guatemala and surrounding territories before the Spanish conquest in the 1520s. More than 50% of today's population are descendants of Maya Indians.



FEATURE Caribbean Basin

reasonably priced and effective insurance which would protect the U.S. banks against these extraordinary risks.

The Export-Import Bank has already been providing medium-term credit or credit guarantees through U.S. exporters and banks to borrowers in the Caribbean Basin which meet Eximbank's statutory standard of "reasonable assurance of repayment." This amounted to \$365.5 million in FY 1981. All of Eximbank's programs are available to U.S. suppliers exporting to those countries, and Eximbank will intensify its efforts to increase the use of its programs by the private sector.

In addition, Eximbank will expand its present protection by considering cover for short-term credits to indigenous commercial banks in creditworthy markets.

Measures for Puerto Rico and the U.S. Virgin Islands

Puerto Rico and the U.S. Virgin Islands are important components of the U.S. presence in the Caribbean area. The United States recognizes the need to insure that the economic development of the U.S. possessions is enhanced by U.S. policy toward the Caribbean region and welcomes their contribution to implementation of the Caribbean Basin initiative.

The U.S. Government has been in close consultation with the Governments of Puerto Rico and the U.S. Virgin Islands about the Caribbean Basin initiative and their role in it. Suggestions made by these governments have been taken into account in designing Caribbean Basin initiative proposals and legislation. In particular, legislation under the Caribbean Basin initiative will reflect Puerto Rican and Virgin Islands interests in the following ways.

- Inclusion of rum in the proposed free trade area is coupled with a proviso that excise taxes on imported rum will be rebated to Puerto Rico and the U.S. Virgin Islands.

Guyana

Area: 83,000 sq. mi.
Population: 790,000
Capital: Georgetown
GDP: \$524 million (1980)
Major Trade Items: Exports—bauxite, alumina, sugar, rice; Imports—petroleum
Exchange Rate: 2.55 Guyana dollars = US\$1.00

Guyana differs from most Caribbean countries in that it has a favorable ratio of population to land area. The country is blessed with relatively abundant natural resources, with the important exception of oil and natural gas. Guyana's economy is Socialist-oriented, with extensive government control of the means of production and a number of consumer subsidies and price controls.

Over the past several years, economic growth has declined, and the country's foreign exchange position has continued to deteriorate. Export growth has not matched the rising cost of imports, which have grown in large part as a result of oil price increases. The country's external debt is approximately \$500 million, nearly equivalent to annual GDP. Thus, negative capital flows, resulting in part from heavy debt service, have contributed to the loss of reserves.

Guyana is primarily reliant on bauxite, rice, and sugar exports for foreign

exchange earnings. Over the past decade, annual output from the nationalized bauxite industry has declined. Rice production has been stunted by inefficient operation of the state-controlled marketing agency, low farmgate prices, and poor weather. The government-owned sugar industry has also suffered production setbacks, which in 1982 will be exacerbated by the precipitous drop in the world sugar price. These industries, as well as Guyana's small manufacturing sector, have all been crippled by a chronic, and worsening, shortage of foreign exchange for inputs and spare parts.

The private sector in Guyana has particularly faltered in recent years. The growing public role in distribution, manufacturing, and construction has limited investment opportunities in areas in which private firms were most experienced. At the same time, a lack of understanding on areas open to private investors has dampened the investment climate. Investor confidence has been further exacerbated by the foreign exchange scarcity problem. ■

Umama Yana, the meeting place of the chief of the Wai Wai Amerindian tribe in Guyana.

(Department of State photo)



- The Administration will support additional tax and investment benefits for the possessions.

- Puerto Rican and Virgin Islands industries will have recourse to the same safeguard procedures as mainland industries in the event they are seriously injured by increased imports from the Caribbean.

- Puerto Rican and Virgin Islands inputs will be considered as Caribbean inputs under the rules-of-origin requirements for duty-free treatment, so as to encourage the use of Puerto Rican and Virgin Islands products.

Puerto Rico and the U.S. Virgin Islands will play a major role in technical assistance, private sector development, and transportation within the Caribbean region. As part of the Caribbean Basin initiative, the Administration will seek congressional authorization for the following measures to foster the development of Puerto Rico and the Virgin Islands:

- Establishment of a tropical agricultural research center in Mayaguez, Puerto Rico;

- Funding for an eastern Caribbean center for educational, cultural, technical, and scientific interchange at the College of the Virgin Islands;

- Use of Puerto Rican and Virgin Islands facilities, personnel, and firms in technical assistance programs and development projects; and

- Expansion of airports in the Virgin Islands and other measures to encourage the development of Puerto Rico and the Virgin Islands as a transportation hub for the Caribbean region.

Other measures not directly related to the Caribbean Basin initiative are being discussed with Puerto Rican and Virgin Islands officials.

Area: 10,714 sq. mi.
Population: 5 million
Capital: Port-au-Prince
GDP: \$1.5 billion (1980)
Major Trade Items: Exports—coffee, bauxite, sugar
Exchange Rate: 5 gourdes = US\$1.00

The poorest country in the Western Hemisphere, Haiti had annual GDP growth in the 2.5–3.8% range during 1970–79, an increase only slightly more than population growth. For 1981 no real increase in GDP occurred, as lower commodity prices, high oil prices, and an increasing public sector deficit have darkened the country's medium-term economic prospects.

Export volume has been trending upward, especially the assembly-for-export industries which now account for over one-third of total net exports; however, imports have been increasing much more rapidly, with petroleum products, food, and consumer durables leading the increase. During 1979 and 1980, Haiti's current account deficit was around \$50 million, approximately the amount of grant assistance received by the country. Official grants and loans to Haiti totaled over \$100 million in 1980, around 10% of GDP.

Of greatest concern is the rapidly escalating public sector deficit, which was around \$130 million in 1980. This deficit, the rising import bill, and in-

INTERNATIONAL ASSISTANCE ACTIVITIES IN THE CARIBBEAN BASIN

From the beginning, the Caribbean Basin initiative has been a multilateral and not just a U.S. effort. The first foreign heads of state to visit President Reagan were President Lopez Portillo of Mexico and Prime Minister Seaga of Jamaica. Out of their conversations came the concept of a multilateral, region-wide effort to counteract the

Haiti

creasing difficulties borrowing abroad led to an acute foreign exchange shortage in early 1981, which prompted the government to tighten import restrictions and to increase taxes on gasoline, automobiles, and luxury products. The foreign exchange shortage has continued into 1982. The debt service ratio for 1981 was about 4.6% but is on the increase.

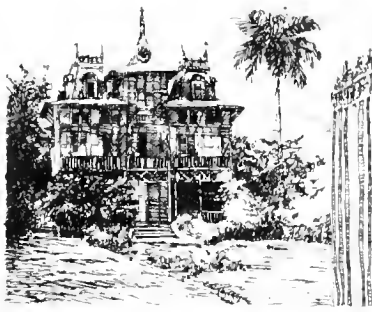
The exchange rate has been unchanged (5 gourdes = \$1.00) since 1919. ■



This "gingerbread" house in Port-au-Prince is typical of French colonial architecture in Haiti. French buccaneers used the area now known as Haiti as a point from which to harass English and Spanish ships in the 1600s. As piracy was gradually suppressed, these French adventurers turned to planting and made "Saint-Dominique" one of the richest colonies of the French Empire in the 18th century.

economic decline of the countries of the Caribbean Basin.

The United States then began conversations with the countries in the region; with Canada, Venezuela, and Mexico; and with our European and Japanese allies. In July 1981 Secretary Haig and U.S. Trade Representative Brock met in Nassau with their colleagues from Mexico, Canada, and Venezuela. This meeting agreed on a coordinated approach to the region's development, combining multilateral ef-



FEATURE Caribbean Basin

ports, consultations with the countries of the region, and bilateral assistance. It also went beyond traditional foreign aid approaches to include changes in trade and investment policy. More recently Colombia has also expressed an interest in contributing to the initiative.

The United States and the other three countries of the so-called Nassau group have held a series of multilateral

and bilateral meetings with the countries of the Caribbean Basin. In San Jose in September 1981, it was agreed to form a multilateral consultative group for the Central American countries, analogous to the Caribbean Group for Cooperation in Economic Development. These two groups will provide fora where donor countries can coordinate their development assistance effort and where coun-

try policies can be discussed, studied, and coordinated.

After an October 1981 multilateral meeting in Santo Domingo with the Caribbean island countries, the United States held bilateral consultations with almost every country in the Caribbean Basin region. During these meetings we sought their comments and suggestions, got a better idea of their needs and

Honduras

Area: 43,277 sq. mi.
Population: 3.7 million
Capital: Tegucigalpa
GDP: \$2.5 billion (1980)
Major Trade Items: Exports—
bananas, coffee, beef;
Imports—petroleum
Exchange Rate: 2 lempiras = US\$1.00

The poorest country in Central America, Honduras recently completed a successful election and a transition from military to civilian rule. It is faced externally with unfriendly or politically threatened governments on three sides. It is also suffering a serious balance-of-payments problem which has adversely affected investment and growth. At the same time, however, Honduras has an essentially sound development program which is supported by the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD). It should be able to return to a normal growth path when short-term problems are overcome.

Honduras' short-term problems were caused by a combination of deteriorating terms of trade, the financial pressures of a possibly over-optimistic development program, capital flight, and some loss of foreign private credit due to regional

political problems. As a result of these factors, the country is going through a period of serious balance-of-payments pressure. In addition, government-owned productive facilities, particularly in the nationalized timber industry, have turned out to be highly inefficient drains on the already pressed central government budget. The country's export-oriented agricultural sector is still productive but suffers from a lack of credit and from the same drop in world commodity prices which has adversely affected other countries in the region.

While the balance-of-payments shortfall is certainly dangerous, outside observers are confident that a combination of internal policy change and some

additional foreign assistance will allow Honduras to weather the current storm. Within about 3-4 years, the bulge in development spending should be over, and the country will begin to benefit from substantial improvements in infrastructure. The El Cajon power project, in particular, will provide a better supply of electricity, reduce Honduras' dependence on imported crude, and permit the export of electricity to neighboring countries. With a balanced program of internal policy reform, greater access to world markets, and additional foreign assistance, there is every reason for optimism that the economy will return to its previous pattern of significant growth. ■



(Department of State photo)

Tegucigalpa is the capital and largest city in Honduras. Founded in the late 16th century, it was a Spanish colonial center of silver and gold mining.

priorities, and informed them which U.S. actions appeared the most feasible.

Emphasis on the multilateral approach derives from three factors. First is the recognition that many other countries and institutions have interests in the basin and are already active there. Second is the recognition that the

isolated efforts of a single country—even such a relatively rich and powerful country as the United States—are not enough to reverse the economic decline of the region. A coordinated approach can multiply the impact of each individual effort. In the final analysis, of course, most of the

responsibility for development of the Caribbean Basin rests with the countries of the region themselves. We will intensify our efforts through the International Monetary Fund, the World Bank, the Inter-American Development Bank, and, bilaterally, to help these governments devise coherent development strategies.

Jamaica

Area: 4,411 sq. mi.
Population: 2.2 million
Capital: Kingston
GDP: \$2.4 billion (1980)
Major Trade Items: Exports—alumina, bauxite, sugar; Imports—petroleum
Exchange Rate: 1.78 Jamaican dollars = US\$1.00

Under the new leadership of Prime Minister Seaga, Jamaica reversed 7 consecutive years of ruinous negative growth when a 1.5% growth rate was recorded in 1981. The consumer price index rose only 5%, in contrast with high levels of inflation over most of the 1970s.

Mr. Seaga's strategy has been to make private enterprise and the free market place the engine for development. Over the past year, his government has been working to eliminate controls on the Jamaican economy and to return state-run enterprises to the private sector. At the same time, he has actively encouraged domestic and foreign private investment, particularly in labor-intensive, nontraditional export industries. Several hundred investment leads are being processed, although the actual realization of new projects has lagged.

Achieving full recovery leading to self-sustained growth will continue to be a challenge for the Seaga government. Jamaica is totally dependent on imported oil. Skilled workers and middle-level managers who emigrated during the 1970s must be enticed to return, and new entrants into the labor force will have to acquire needed skills. Bauxite exports, which account for 70% of foreign exchange earnings and nearly a third of Government of Jamaica revenues, have dropped sharply owing to a cyclical down-turn in world demand for aluminum. Acquisition of Jamaican-type bauxite for the U.S. strategic stockpile

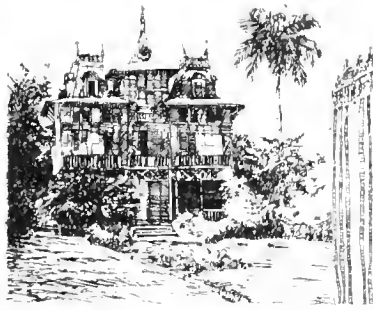
will only partially compensate for the drop in bauxite exports to industrial users. The world price for sugar, Jamaica's most important agricultural export, has plummeted.

Agricultural production for domestic markets, however, rose 4% in real terms in 1981, and construction was strong. Tourism also rebounded, with this winter's occupancy rate leaping to 70% after years of decline. But manufacturing continued to be stymied by a shortage of foreign exchange to finance raw materials, spare parts, and capital equipment.

Resolution of the short-term foreign exchange scarcity problem and access to developed country markets for Jamaica's exports are critical to the continued success of Mr. Seaga's recovery program. To address the foreign exchange problem, the Jamaican Government negotiated a 3-year stabilization program in 1981 with the International Monetary Fund (IMF). In order for this stabilization program to achieve its goal of self-sustained recovery over 3 years, timely short-term balance-of-payments support from friendly donor countries is essential. ■



Although largely a limestone plateau, Jamaica has a mountainous backbone that extends across the island from the west and rises to the Blue Mountains in the east (above)—the highest mountains in the Caribbean. Rainfall is heavy in this area, where there are extensive timber reserves.



FEATURE Caribbean Basin

Canada

Canadian interest and assistance to countries in the Caribbean Basin have been growing rapidly in the past year. Traditionally, Canadian political and economic ties in the area had been concentrated in Commonwealth countries. These contacts reflected both the English- and French-speaking heritages of Canadians. Canada has recently, however, broadened its emphasis to a wider group of Caribbean countries.

Foreign Minister MacGuigan in a speech on Canadian policy toward Latin America and the Caribbean said the government recognized two main concepts in its development policy: the mutuality of interest of both North and South in solving global economic problems and the humanitarian need to focus attention and resources on the world's poorest peoples and countries.

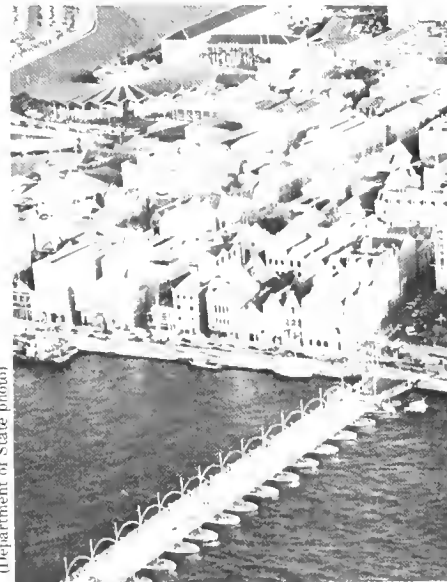
Canada sees economic progress over the longer term as a key factor in achieving regional stability. The Caribbean Basin initiative area has had a growing role for Canada in economic terms. Canadian exports to the area have grown from slightly under C\$800 million in 1977 to an estimated C\$1.8 billion in 1981. Imports from the area into Canada have increased from roughly C\$600 million to C\$1.8 billion over the same period. While Canadian trade with the area only accounts for about 2% of Canada's total foreign trade, the increases are significant. Countries of the region have benefitted from the Canadian generalized preferential tariff system since the early 1970s. In addition Commonwealth countries in the region enjoy the benefits of Canada's Commonwealth preferences.

In its aid program, Canada has just announced a threefold increase in development assistance to Central American countries—C\$105 million has been allocated for the region over the next 5 years. This compares to about C\$60 million allocated from 1972 until now. Minister MacGuigan said the move reflected "Canada's deep concern for the

Netherlands Antilles

Area: 394 sq. mi.
Population: 270,000
Capital: Willemstad
GDP: \$864 million (1978)
Major Trade Items: Exports—petroleum products, crude petroleum, phosphate;
Imports—petroleum products, foodstuffs, live animals
Exchange Rate: 1.8 guilders = US\$1.00

The Netherlands Antilles are separated two groups by over 1,000 miles of the Caribbean Sea. St. Eustatias, Saba, and Sint Maarten are in the Leeward Islands. The more populous "ABC" islands of Aruba, Bonaire, and Curacao lie off the coast of Venezuela. The islands are semiautonomous and handle their own internal affairs but are not yet fully independent. The total population



(Department of State photo)

Willemstad (on the Island of Curacao) is the capital of the Netherlands Antilles. U.S. relations with the islands date to 1776 when Fort Orange on Sint Eustatius gave the first salute by a foreign nation to the flag of the United States.

of the islands is about 270,000. Per capita GDP is estimated at \$2,500. In spite of a relatively high standard of living, the unemployment rate is approximately 25%.

The three pillars of the Antillean economy are tourism, oil refining, and off-shore banking. While the islands have felt the impact of the Caribbean-wide slowdown in tourism over the past year, the Antilles have remained relatively competitive by relying heavily on low-cost package tours and a well-developed duty-free industry which sells luxury items to tourists. The oil refineries on Curacao and Aruba have been running at 40-45% of capacity, reflecting the worldwide decline in consumption and refinery overcapacity. The offshore banking business has been flourishing and now accounts for 32% of government revenues and 1,000 jobs by Government of the Netherlands Antilles estimates. The most important activity of this industry is Eurobond borrowing for U.S. multinationals. The United States is currently renegotiating the tax treaty as it applies to the Netherlands Antilles with the next round expected to occur this spring. The Government of the Netherlands Antilles is concerned about the impact on the Antillean economy of any precipitous change in treaty provisions affecting the banking industry.

Overall development prospects for the islands are hampered in that they possess virtually no natural resources. The arid ABC islands must rely on desalinated drinking water. The islands' best economic goal may lie in the continued utilization of their skilled labor force in such areas as refining, banking, tourism, and mariculture in a future Singapore-type role in the Caribbean. No timetable has been set for full independence by the Dutch. ■

conditions of poverty and economic dislocation in Central America which lie beneath the current instability and traumatic social change there." Major recipients of assistance will be Honduras, Costa Rica, Nicaragua, and Panama.

Earlier, Canada announced plans to increase its official development assistance to the Commonwealth Caribbean from about C\$43 million in 1981-82 to C\$90 million in 1986-87.

Mexico

Since June 1981 when Mexican President Lopez Portillo met with President Reagan at Camp David, Mexico has been a partner in the Caribbean Basin initiative. Despite differences with the United States on regional political developments, Mexico views the initiative as positive in terms of North/South cooperation. Mexico shares the U.S. perception that additional cooperative measures should be taken to stimulate economic and social development in the region in order to eliminate the underlying causes of political instability in the area. At the same time it has stressed its interest in seeing the benefits of the Caribbean Basin initiative open to all countries of the region on a nonexclusive, nonpolitical basis.

Mexico's principal contribution to the region, worth at least \$300 million annually, is through the joint Mexican-Venezuelan oil facility. This program finances 30% of Mexico's and Venezuela's oil shipments to El Salvador, Guatemala, Honduras, Costa Rica, Nicaragua, Panama, Barbados, Jamaica, and the Dominican Republic.

Mexico grants trade preferences to El Salvador, Guatemala, Costa Rica, Panama, and the countries of the Caribbean Common Market (CARICOM). The preferences, which take the form of 50%-75% import rebates on about 25 products from each country, are generally for the principal exports of those countries.

Mexico also finances over 200 individual technical assistance grants in the Caribbean and Central America.

Venezuela

Venezuela is one of the four sponsoring countries of the Caribbean Basin initiative. It has long been a donor of aid to less developed nations. Venezuela has reported that it gave \$6.5 billion in

financial assistance abroad from 1974 to 1980. Annual amounts equaled between 1.2% and 2.2% of GNP. The bulk of this assistance was to countries of the Caribbean, Central America, and the Andean pact.

Nicaragua

Area: 147,888 sq. mi.
Population: 2.7 million
Capital: Managua
GDP: \$1.6 billion (1980)
Major Trade Items: Exports—cotton, meat, coffee; Imports—petroleum
Exchange Rate: 10.50 cordobas = US\$1.00



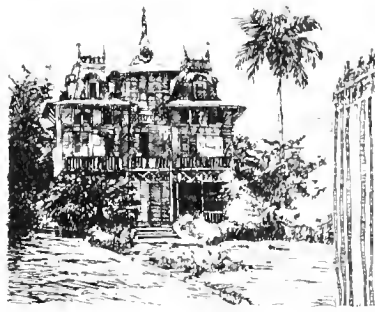
Nicaragua was named for Nicarao, an Indian chief who peacefully received Spanish conquerors in 1522. The population is predominantly Roman Catholic; this 18th century Cathedral of Leon is one of the largest in Latin American.

Serious physical damage during the country's recent revolution and anti-private sector attitudes by the Sandinista government have reduced the productivity of the Nicaraguan economy. Only the assistance of nontraditional aid donors has prevented a further serious fall in income. The outlook for the future is uncertain but depends upon a continued high level of outside aid and

official attitudes toward the private sector.

In spite of an inherently rich agricultural base, the Nicaraguan economy is suffering from a serious balance-of-payments shortage, which has resulted in a general lack of the spare parts and raw materials necessary to make it run. More importantly, recent expropriations, public attacks, and hostile articles in the government-owned press have left the private sector with little or no sense of security and even less cause to make the long-term investment necessary to provide for economic growth. In addition, deteriorating conditions in the Central American Common Market (CACM) have reduced the market for Nicaragua's manufactured exports and further cramped the country's ability to provide employment and earn needed foreign exchange. Agriculture is the one relative bright spot. But even in agriculture, labor shortages and indiscipline, combined with a continuing lack of new investment, threaten future production. This is particularly true in the beef and coffee export subsectors.

Nicaragua's longer term economic future is to some degree unpredictable. It depends heavily upon the policies and attitudes in the revolutionary government, as well as help from outside donors. In the short run, however, it appears that Nicaragua faces continuing uncertainty in the private sector, official economic decisionmaking based upon political factors, and a resulting deterioration in investment, production, and exports. ■



FEATURE Caribbean Basin

Venezuela remains committed to continuing financial assistance in the Caribbean Basin region. In 1980, Venezuela joined Mexico in formulating an oil facility for the energy poor nations of the Caribbean Basin. Nine nations are currently benefiting from this agreement, and several more may be added shortly. Under the facility's terms, the two donors agreed to extend semisoft loans (5 years at 4% interest) to the recipients to cover 30% of their oil bill. If the loan proceeds are used for economic development projects, the terms change to 20 years at 2% interest. The two donors also agreed to guarantee half of each recipient country's oil supply requirement, up to a total of 160,000 barrels per day. At current oil prices, the oil facility is worth approximately \$700 million in concessional financing per year to the recipients. During the facility's first year, Venezuela disbursed \$289.2 million, and for the second year, running from August 1981 to July 1982, Venezuela has committed a total of \$302 million.

Venezuela has further assisted Caribbean Basin nations financially through the following Central Bank deposits: 1980—Nicaragua, \$37 million, and the Dominican Republic, \$11.1 million; 1981—Costa Rica, \$20 million, and Jamaica, \$25 million. The Government of Venezuela has also announced that \$69 million in project-related loans will be granted in Central America in 1982. The beneficiaries will be El Salvador, Nicaragua, and Costa Rica. Venezuela is also a generous donor to multilateral institutions such as the Inter-American Development Bank (IDB) and the OPEC special fund, which extend financial help to Caribbean Basin countries. Total Venezuelan multilateral disbursements in 1980 (last year available) were \$456 million.

Area: 28,753 sq. mi.
Population: 2 million
Capital: Panama
GDP: \$3.5 billion (1980)
Major Trade Items: Exports—bananas, refined petroleum, sugar; Imports—petroleum
Exchange Rate: 1 balboa = US\$1.00

Panama was the only economic bright spot on the Central American isthmus during the past 2 years. Led by a construction boom, the economy grew by 5.5% in 1980; 1981's growth rate is estimated to have been in the same range.

Unlike the other economies in the region, Panama has primarily a service economy. The Panama Canal, the banking sector, the Colon Free Zone, and tourism together account for over 60% of GDP. The canal contributes over \$400 million a year to the country's economy. Over 100 foreign banks operate in Panama, attracted by Panama's liberal banking regulations and dollar-based economy. Panama stands fourth in the region in terms of total bank assets, lagging behind only Mexico, Brazil, and Venezuela. The Colon Free Zone is the busiest such zone after Hong Kong; its warehousing and reexport operations involve \$4 billion worth of merchandise per year. Bananas are the principal commodity export.

Traditionally the United States is Panama's most important trading partner. Currently we are attempting to negotiate a bilateral investment treaty with the Government of Panama.

There are some problems on the horizon however. Panama has been unable to absorb the thousands of young Panamanians who enter the labor force each year. The agricultural sector has traditionally been neglected or over-regulated, and its growth has been slow. Instability in the Central American countries has made some investors wary of increasing their exposure in the

region. Despite good performance under its International Monetary Fund (IMF) agreement, Panama still has a large foreign debt, which limits the amount of additional external borrowing the country may undertake. Panama traditionally runs a large trade deficit, and in recent years its surplus on the services account (\$580 million in 1980) has not matched the trade deficit (\$870 million in 1980). ■



(Department of State photo)

Panamanians are predominantly Roman Catholic, as are the people of the other Central American countries. This is El Carmen Catholic Church in Panama.

Europe and Japan

In several consultations on the Caribbean Basin initiative, European aid donors and the Commission of the European Community (EC) have expressed interest in cooperating with the initiative. Eleven Caribbean states (Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, St. Lucia, Suriname, and Trinidad and Tobago) are beneficiaries of the EC's trade and aid program under the Lome II convention. Also the EC has provided aid to "nonassociated" countries in the region and is considering an expanded assistance program for Central American states. In addition to the EC programs, several European states maintain bilateral assistance programs for both Lome members and "nonassociated" states in the region.

Lome members, including the Caribbean states, receive trade benefits in the form of duty-free access for their exports to the EC, subject to provisions on rules of origin and safeguards. A special arrangement on sugar provides for specified amounts of sugar to be imported by the EC at prices well above the world market price. Barbados, Belize, Guyana, Jamaica, Suriname, and Trinidad and Tobago benefit from this arrangement. A quota arrangement for duty-free importation of rum also benefits Caribbean members.

The EC's generalized system of preferences is open to Lome members as well as non-Lome LDCs, including all states in the Caribbean and Central America.

In recent years Japan has adopted an increasingly more global foreign policy in recognition of its responsibilities as the free world's second largest economic power. Japanese relations with the Caribbean Basin have developed slowly, commensurate with Japan's relatively limited interests in the region. However, Japan's engagement in the area is expanding.

Japanese policies in the region have generally complemented our own, although they diverge on some issues

Suriname

Area: 70,060 sq. mi.
Population: 390,000
Capital: Paramaribo
GDP: \$109 million (1980)
Major Trade Items: Exports—alumina, bauxite, aluminum
Exchange Rate: 1.785 guilders = US\$1.00



(Department of State photo)

The buildings on this street in Paramaribo illustrate early European influence on Suriname. The Netherlands acquired Suriname in 1667 in exchange for Dutch rights in Nieuw Amsterdam (Manhattan, N.Y.).

The economy of Suriname and its tiny population (390,000) is dominated by bauxite and Dutch assistance. Bauxite products comprise about 80% of export earnings (rice and shrimp together account for 10%), and bauxite levies supply 20–25% of government revenues. At independence in 1975 the Dutch

Government approved a \$1.5 billion development fund for Suriname, only a small part of which has been disbursed.

Real GDP has stagnated in recent years due to a soft world bauxite market and political uncertainty. Suriname's population decreased during the 1970s due to heavy emigration, so that per capita GDP (\$2,240 in 1978) has continued to increase. In 1978 GDP was dominated by government (23% of GDP), mining and minerals processing (18%), and trade and tourism (17%).

In recent years Suriname has usually enjoyed a modest trade surplus, and its current account deficit has been covered by Dutch financing. The Netherlands canceled Suriname's debts at independence, and Suriname's debt service is only 1% of exports. The public sector has been running a current account budget surplus, with outside aid financing the investment budget.

Despite its relatively good performance in the recent past, Suriname's economy faces serious challenges in the immediate future. Suriname will have to expand and diversify its economic base over the next 10 years to reduce the current overreliance on the bauxite sector and Dutch aid. The heavy loss of skilled manpower, investor caution, and political uncertainty cloud the country's future prospects. Efforts to develop the agricultural and forestry sectors and communications and transportation infrastructure are underway or being planned. ■

(e.g. Japan's active trade with Cuba). Japan's \$10 million loan to Jamaica in 1981 reflects both Japan's willingness to contribute to the economic development of the region and the will to cooperate with the United States.

International Financial Institutions

The international financial institutions most active in the Caribbean Basin have been the World Bank, the Inter-American Development Bank, and the International Monetary Fund. Over the past 2 years, the two banks have undertaken new commitments to basin coun-



FEATURE Caribbean Basin

tries totaling more than \$1.6 billion, with about \$700 million committed by the World Bank and \$900 million by the Inter-American Development Bank. The World Bank, through its lending and technical assistance activities, has promoted sound economic policies in Caribbean and Central American countries. In addition to project loans, the World Bank has recently begun some structural adjustment lending in selected basin countries, conditioning drawings from these loans to progress on specific economic reforms agreed to by the borrowing governments. The Inter-American Development Bank has focused its activities on agriculture, related rural development projects, and energy. It is also becoming more involved in an economic policy dialogue with its borrowers.

The World Bank chairs the Caribbean Group for Cooperation in Economic Development, which has served to coordinate aid policy by the donors and self-help efforts by recipient Caribbean countries. Recently, the Inter-American Development Bank agreed to serve as the secretariat institution for a Central American group which will seek to coordinate donor activities and individual country programs for countries in that region.

The International Monetary Fund has been active in the Caribbean and Central America in formulating individual country economic stabilization programs, when necessary. Under these programs, the IMF and basin governments have agreed on measures to correct balance-of-payments disequilibria. While these measures are being implemented, the IMF allows its member countries to purchase foreign exchange to be repaid gradually once stabilization has been achieved. The IMF currently has active programs in Jamaica, Dominica, and El Salvador and is expected to begin new programs soon in Costa Rica and Honduras.

Trinidad and Tobago

Area: 1,980 sq. mi.
Population: 1.1 million
Capital: Port-of-Spain
GDP: \$6.7 billion (1980)
Major Trade Items: Exports—petroleum, sugar
Exchange Rate: 2.4 Trinidad and Tobago dollars = US\$1.00



Department of State photo)

This Sunday outdoor market in Chaguanas, a town in western Trinidad, is a popular gathering place. Trinidad and Tobago were merged in 1888 to form a single British colony; full independence was obtained in 1962.

Trinidad and Tobago's economy has experienced rapid growth in recent years, in large part reflecting increases in the value of petroleum exports. The country has recorded healthy balance-of-payments surpluses in spite of some sluggishness in other exports and a heavy import bill.

The growth in revenue and foreign exchange earnings moderated in 1981 as world petroleum prices stabilized, and crude oil production continued below its 1978 high. The country enjoys the highest per capita GDP in the Caribbean.

Sugar has traditionally been Trinidad and Tobago's most important agricultural crop, followed by coffee, cocoa, and citrus. Trinidad manufactures a fairly wide range of goods, including such products as motor vehicles, household appliances, textiles, and petrochemicals. A new ammonia plant and a steel rolling mill were opened in late 1981.

The recently installed new government in Trinidad and Tobago has pledged to strengthen the capacity of sister Caribbean Community (CARICOM) countries to generate and accumulate capital. In its 1982 budget, the Government of Trinidad and Tobago has allocated \$21 million for development projects within CARICOM. It is also an important donor to CARICOM countries through its oil facility.

While the United States does not provide bilateral assistance to Trinidad and Tobago, the country is a potential beneficiary of trade and investment measures under the Caribbean Basin initiative. ■

Consultative Groups

Since 1978, the nations of the Caribbean and principal donors have coordinated assistance and development programs under the framework of the Caribbean Group for Cooperation in Economic Development, with the World Bank as the lead institution. Recently, the Inter-American Development Bank accepted a secretariat role for a Central American group, which will develop individual country programs and coordinate donor assistance for Central American countries.

The United States supports these two groups as important mechanisms to insure that sound development programs are formulated which can draw broad donor support.

Caribbean Group for Cooperation in Economic Development.

The United States has been a strong supporter of the Caribbean group and was instrumental in its formation. Beginning in 1978, annual meetings have been held at the IBRD each June under the Bank's auspices. These have been supplemented by ad hoc sessions throughout the year which prepare for the annual meetings and focus on particular issues, such as the May 1981 meeting in Antigua concerning the special problems of the eastern Caribbean countries. At the annual meetings, subgroups are held on individual countries, as well as regional sessions touching on issues affecting all countries.

The stated objective of the group as presently constituted is to nurture an ongoing process through which external donors increase, in a coordinated way, their financial and technical assistance to the Caribbean area in support of appropriate short- and long-term economic programs undertaken by countries of the region. Particular attention is given to the need to increase regional cooperation among Caribbean countries.

The United States has found the group particularly useful as a forum for recipient countries to focus on their self-help efforts and progress on compliance with sound development programs worked out in coordination with the IMF and major donors. It also has been effective in providing a framework to attract nontraditional donor assistance.

Our basic assumption has been that full development potential of the individual policies of the Caribbean can only be achieved through regional cooperation and economic complementarity. We have promoted the Caribbean group as a continuing consultative mechanism to analyze development problems; to achieve common understanding of Caribbean development priorities and assistance requirements; and to coordinate external assistance in an efficient manner.

We have sought to assure that the group devotes its attention not only to short-term balance-of-payments difficulties but to the longer term task of correcting the underlying structural problems. Within this context, we have encouraged recipient government policies which are conducive to mobilizing domestic and external resources, which promote private enterprise development and employment opportunities, which recognize the importance of revitalization of agriculture and the strengthening of government institutions, and which encourage common services among the small islands and other forms of regional cooperation for providing essential services at affordable costs.

Assistance flows have increased significantly during the operation of the Caribbean group—from an estimated total of \$467.3 million in FY 1978-79 to \$683 million in FY 1980 and to \$1.064 billion in FY 1980-81.

Central American Group. The Inter-American Development Bank recently accepted a request from Central American countries to serve as the secretariat institution for a Central American group. The new group would formulate individual country development and stabilization strategies, drawing heavily on technical expertise from the IDB and other international institutions. The United States supports the formation of this new group, and anticipates that it will provide a useful mechanism for recipients and donors alike.

As the Caribbean and Central American groups evolve, we believe it would be productive for both to address trade and investment matters as well as assistance, drawing in private sector participation as well. In this way, the key bottlenecks to increased production could be brought to the forefront. ■

Turks and Caicos Islands

Area: 192 sq. mi.

Population: 7,000

Capital: Cockburn Town

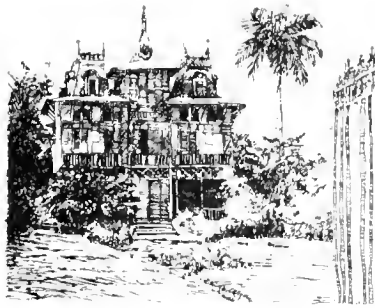
GNP: \$15 million (1980)

Major Trade Items: Exports—conch shells, crayfish, salt, fish meat; Imports—foodstuffs, beverages, tobacco, manufactured goods

Exchange Rate: U.S. dollar is used

The Turks and Caicos Islands lie east of The Bahamas and directly north of Hispaniola. With a population of approximately 7,000, the disparate islands of the Turks and Caicos are sparsely populated and possess few natural resources. Even tourist prospects are limited by the absence of airstrips on most of the islands.

In addition to tourism, fishing is an important industry in the Turks and Caicos. The United States maintains a small naval station on Grand Abaco Island which contributes to government revenue. ■



FEATURE Caribbean Basin

Eastern Caribbean

The eastern Caribbean islands of St. Christopher-Nevis, Anguilla, Antigua, and Barbuda, Montserrat, Dominica, St. Lucia, and St. Vincent and the Grenadines vary in population from 12,000 to 120,000. The largest island (Dominica) has a land area of 289.5 sq. miles.

The eastern Caribbean islands differ considerably in their stages of development but share a common British Commonwealth tradition and seek to work together in such areas as common government services to minimize inherent smallness of scale difficulties.

Unemployment, approaching 50% among young adults in some islands, is a chronic problem throughout the eastern Caribbean. Private-sector production is hampered by small domestic markets, expensive and irregular transport, the migration of skilled workers, and a

paucity of medium- to long-term financing for new productive enterprises. As a result, insufficient revenue has been generated to fund basic recurrent government services. In some of the islands, infrastructure deficiencies and the difficulty of maintaining existing infrastructure are a factor in developing the domestic private sector and attracting foreign investment. Domestic policies in such areas as interest rates and land tenure have also been important constraints. The perilous state of the islands' economies has fueled political instability.

Fortunately, some of the islands have recently shown some success in attracting nontraditional export industries, in part due to favorable low wages and tax holidays granted by the eastern Caribbean governments. Their ability to attract further such industries,

and to reverse a decade-long decline in agricultural production, is regarded as key to addressing the pressing economic problems of unemployment and a heavy reliance on imported foodstuffs. In addition, the islands do possess considerable tourism potential which might be exploited with greater promotion efforts and better transportation facilities.

Recognizing the serious economic difficulties of the eastern Caribbean islands, they have recently drawn increased foreign donor focus, particularly by the United States, the United Kingdom, Canada, and the European Economic Community (EEC). While this donor activity has helped to buttress the democratically elected eastern Caribbean governments, it has just begun to stimulate the private sector, which is vitally needed to generate employment and sustained growth. ■

ANGUILLA

Area: 35 sq. mi.
Population: 7,000
Capital: The Valley
GNP: \$4 million (1980)
Major Trade Items: Exports—salt, lobsters, fish
Exchange Rate: 2.70 eastern Caribbean dollars = US\$1.00

ANTIGUA AND BARBUDA

Area: 171 sq. mi.
Population: 74,000
Capital: St. Johns
GNP: \$8.5 million (1980)
Major Trade Items: Exports—mineral fuel lubricants; Imports—foodstuffs, live animals, machinery equipment
Exchange Rate: 2.70 eastern Caribbean dollars = US\$1.00

DOMINICA

Area: 289.5 sq. mi.
Population: 79,000
Capital: Roseau
GNP: \$36.9 million (1978)
Major Trade Items: Exports—bananas, coconuts, citrus fruits; Imports—foodstuffs, manufactured goods, machinery
Exchange Rate: 2.70 eastern Caribbean dollars = US\$1.00

This Roman Catholic cathedral is a reminder of the island's early association with France. Columbus named Dominica—the Italian word for Sunday—when he discovered it on his second voyage to the New World in 1493.



(Caribbean Tourism Assoc. photo)

MONTserrat

Area: 39.5 sq. mi.
Population: 12,000
Capital: Plymouth
GNP: \$15.2 million (1979)
Major Trade Items: Exports—cotton, machinery, cattle; Imports—foodstuffs, machinery and transportation equipment
Exchange Rate: 2.70 eastern Caribbean dollars = US\$1.00

ST. CHRISTOPHER-NEVIS

Area: 104 sq. mi.
Population: 40,400
Capital: Basseterre
GNP: \$39.6 million (1979)
Major Trade Items: Exports—sugar, molasses, beer and ale; Imports—foodstuffs, manufactured goods
Exchange Rate: 2.70 eastern Caribbean dollars = US\$1.00

ST. LUCIA

Area: 238 sq. mi.
Population: 124,000
Capital: Castries
GNP: \$11.2 million (1979)
Major Trade Items: Exports—bananas, cardboard boxes, cocoa; Imports—manufactured goods, foodstuffs, machinery
Exchange Rate: 2.70 eastern Caribbean dollars = US\$1.00



ST. VINCENT AND THE GRENADINES

Area: 150 sq. mi.
Population: 116,000
Capital: Kingstown
GNP: \$50.3 million (1979)
Major Trade Items: Exports—bananas, arrowroot, sweet potatoes; Imports—foodstuffs, beverages, tobacco, manufactures
Exchange Rate: 2.70 eastern Caribbean dollars = US\$1.00

One of the oldest botanical gardens in the Caribbean is found on St. Vincent. So renowned for its beauty, St. Vincent and the Grenadines is often referred to as the "gem of the Antilles."

Update on International Developments

by Secretary Haig

*Statement before the House Foreign Affairs Committee on March 2, 1982.*¹

I welcome this opportunity to discuss current international developments, especially East-West relations and the situation in the Caribbean Basin. Without taking too much time from the question period, I would also like to discuss briefly our proposed foreign assistance package for fiscal year (FY) 1983.

East-West Relations

Over the past year, the President has frequently expressed the desire for a constructive and mutually beneficial relationship with the Soviet Union. At the same time, we have made clear that such a relationship must be based on Soviet restraint, especially in the use of force or the threat of violence. The role of Soviet threats in the Polish crisis, coming while Soviet troops occupy Afghanistan and Moscow's arms flood Cuba, undermines the very basis for productive East-West relations.

The recent pattern of Soviet behavior, especially Moscow's role in Poland, was uppermost in my recent discussions with Mr. Gromyko [Andrei A. Gromyko, Soviet Foreign Minister]. During a full day of wide-ranging exchanges, we reviewed also the situation in Afghanistan, Cuba, and southern Africa, as well as our traditional concern for human rights issues. Coercion, subversion, and repression pose great dangers to the prospects of improved relations between our countries.

Mr. Gromyko and I also had a detailed discussion of arms control, providing me the opportunity to explain President Reagan's initiative of last November for zero levels of intermediate-range missiles. I noted that the United States is actively preparing for START [Strategic Arms Reduction Talks] negotiations, which we will initiate when conditions permit.

The meeting illustrated President Reagan's point that in time of crises, clear communication between the United States and the Soviet Union is essential. At the same time, it demonstrated that our hope for improved relations will not silence our concern over Soviet transgressions, especially in Poland and Afghanistan.

It is crucial that we understand the historic events taking place in Poland, what they mean for East-West relations, and what we can do to influence the situation. Our policy is based on three principles.

- First, the Polish crisis is far from over. The Polish Communists' failure to meet the needs of the Polish people reflects a profound failure of Soviet-style communism and foreshadows failures elsewhere.

The martial law regime in Poland will find progress elusive. The Polish economy can be revived only with the cooperation of the Polish worker—on whom the brunt of repression has fallen. Until martial law is lifted, those arrested for exercising their internationally recognized rights are released and national reconciliation begins, resistance will continue and even grow. Demonstrations in Gdansk and Poznan are testimony that the Polish people have not been silenced. And Gen. Jaruzelski [Polish Communist Party leader, Prime Minister, and Defense Minister] himself admitted last week that resistance persists.

- The second principle that guides our policy is the conviction that the West can and must act to influence the situation. Prudent and effective action can encourage Warsaw and Moscow to reconsider their march toward the abyss in Poland.

Moreover, our response to the Polish crisis has far-reaching implications for East-West relations. If we do not take serious actions commensurate with our concern, then the Soviets may doubt our resolve at other critical points in the world.

- Third, we must bear in mind that individual national action becomes much more meaningful, especially for Moscow, in the context of allied unity. Fifteen sovereign nations have never found it easy to act in concert, but this must be our goal. It would, indeed, be tragic if Poland's misfortune becomes the instrument of allied disunity.

Based on these principles, the President has fashioned a strategy that seeks to lead the allies toward unified action. This process is well underway. The United States has made clear that we will not do business as usual with either Poland or the Soviet Union while repression in Poland continues. In December, the President announced a series of economic sanctions against both Poland

and the Soviet Union. He warned that we would take further measures, if necessary. Cosmetic improvements will not be enough. We will not be deceived by a continuation of repression disguised as moderation.

The United States is not alone. We are working closely with our allies on political and economic actions that will drive home to the Soviet Union and the Polish regime the costs of repression in Poland. In January an unprecedented special meeting of the North Atlantic Council condemned the Soviet Union's sustained campaign against the Polish people. The allies agreed to a number of economic measures, such as holding in abeyance future official credits to Poland for goods other than food and suspending negotiations to reschedule the Polish 1981 official debt. The allies pledged not to undercut each other's action. Significantly, the allies have begun an examination of the course of future economic and commercial relations with the Soviet Union. Recently, several European allies

The role of Soviet threats in the Polish crisis, coming while Soviet troops occupy Afghanistan and Moscow's arms flood Cuba, undermines the very basis for productive East-West relations.

and Japan have announced specific political and economic steps against Poland, and European Community foreign ministers announced that restraints on imports from the Soviet Union are planned.

At the Conference on Security and Cooperation in Europe in Madrid on February 9, the foreign ministers of our allies also joined me in denouncing the violations of the Helsinki Final Act by the Soviets and the Polish military regime.

Sanctions and denunciations are not the only elements of our policy. The West has indicated its readiness to help revive Poland's shattered economy when the Polish people regain their rights. This is an important part of our strategy.

We should not underestimate the impact of Western unity on both Poland and the Soviet Union. I believe that the unity of the West thus far comes as an unpleasant surprise to Moscow. The implications are far-reaching. We can look forward in the days ahead to an examination of other areas for allied action, such as the question of future credits. Continued Western unity and concrete pressure—coupled with an offer of help—hold out the best prospect for the future of freedom in Poland.

At this point, I would like to convey my deep appreciation to Congressmen Lantos, Winn, and Fascell for their eloquent bipartisan support of the President's policy on Poland during the annual meeting in January between the U.S. Congress and the European Parliament. As you know, the European Parliament has itself now proposed ways to send the Soviets a signal that the West remains firm and united in opposition to Soviet aggression. This is true not just in the case of Poland but in the case of Afghanistan as well. It was the European Parliament that first proposed declaring a day in commemoration of the Afghan people's struggle. President Reagan strongly supports the designation of March 21 as Afghanistan day as an expression of allied displeasure with Soviet aggression.

Caribbean Basin

Now let me turn to another area of great concern to us, the Caribbean Basin, where we face two distinct but related challenges: first, the economic and social upheavals that mark the development process; second, the threat to democracy and individual rights from the forces of totalitarianism in Cuba and elsewhere, supported by the Soviet Union.

Last week the President spoke at length on our new Caribbean Basin initiative. This program is a first step toward meeting these challenges. As the President explained, the United States will work with Mexico, Canada, and Venezuela to assist countries facing severe economic problems. The American part of the package includes trading opportunities, investment incentives, and increased financial assistance.

Beyond the economic challenge, the countries of the Caribbean are also confronted by a growing threat from Cuba and its new-found ally Nicaragua. In recent years, Cuba has embarked on a systematic campaign to destabilize legitimate governments in Jamaica, Colombia, Honduras, El Salvador, and elsewhere. At the same time, Cuba has systematically expanded its ability to project its military power beyond its own shores. The Soviets shipped more military supplies to Cuba last year than at any time since 1962. Most notably, Cuba recently acquired a second squadron of MiG-23/Floggers.

In Nicaragua, Soviet, East European, and Cuban military advisers are building Central America's largest military establishment with Soviet-supplied arms. Disturbing accounts of the government's campaign against the Miskito Indians are reaching the outside world. Meanwhile, the clandestine infiltration of arms and munitions from Nicaragua into El Salvador is again approaching the high levels recorded just before last year's "final offensive."

The United States has tried to communicate with Cuba and Nicaragua. We have offered a way out of confrontation. We have sought explanations for the massive military buildups that consume the scarce resources of development. But our efforts have thus far been rebuffed.

The threat to democracy from opponents of peaceful change is particularly acute in El Salvador. The Duarte

[The Duarte government's] opponents, supported by Nicaragua and Cuba, are determined to win by force what they could not achieve by the ballot.

government is committed to political reform, free elections, and economic development. Its opponents, supported by Nicaragua and Cuba, are determined to win by force what they could not achieve by the ballot. In the face of such threats to the democratic process, the United States has firmly stated its commitment to free elections.

The U.S. position has been embraced by the Organization of American States (OAS). At the meeting of the OAS in St. Lucia last December, 22 of 29 nations voted in favor of the Salvadoran program for elections—only three voted against. Indeed, a collective response to the danger is emerging within Central America. The Governments of Costa Rica, Honduras, and El Salvador, which recently formed the Central American Democratic Community, have been joined by Venezuela, Colombia, and the United States to help carry through the democratic transformation of El Salvador.

We must not be misled by the myth that the Duarte government has refused to negotiate an end to the trouble in El Salvador with the guerrillas. President Duarte has offered to negotiate on the electoral process, so that elections can proceed peacefully and the people of El Salvador can choose their own leaders without fear. The United States supports this call. I note that the Council of Bishops of El Salvador supports the electoral process, too, and has echoed the government's call for all groups to desist from using violence to block the elections.

Other Areas

This brief review of events in Europe and the Caribbean should not distract us from other highly troubled areas where we must act. To cite just a few.

- We have helped to revive the negotiations on Namibia that had effectively collapsed before this Administration took office, and we are actively engaged with our allies, the front-line states, and South Africa in a realistic effort to obtain a settlement that could lead to independence for Namibia in 1982.
- We are supporting the restoration of peace in Chad under the auspices of the Organization of African Unity, thereby displacing Libyan influence and military forces there.
- As part of our firm stand against Libyan support for international terrorism, we have increased support for Libya's threatened neighbors.
- We continue to support efforts to achieve a negotiated settlement in the Western Sahara.
- We have given our full support to efforts of the Association of South East Asian Nations in opposition to the Vietnamese occupation of Kampuchea, and we have sought to maintain military strength in the area to balance the ever-

growing Soviet military presence in northeast Asia and in Vietnam.

- We have helped to organize the multilateral force and observers, moving Israel and Egypt ever closer to a successful withdrawal from the Sinai, while seeking to give all parties the sense of security needed for them to move toward an agreement on the autonomy portion of the Camp David accords.

- Finally, in a period of depressed economic activity worldwide, we are working diligently to prevent emergence of protectionism and to support a free and open international system adhered to by all.

Foreign Assistance

Even this quick review of events in Europe, the Caribbean, and elsewhere reflects the myriad of important problems faced by America. There is a profound relationship between our ability to handle these problems and the resources available to us. Today's challenges require that we commit ourselves to a vital foreign assistance program.

Foreign assistance was once dismissed as naive idealism or misplaced philanthropy. But today's foreign assistance programs have been redirected to specific and vitally important strategic objectives. These include:

- Promoting peaceful solutions to regional rivalries;
- Gaining access to critical military facilities;
- Confronting growing military threats from and subversive efforts by the Soviets; and
- Reducing the economic and social travail that encourages domestic violence and external intervention.

To insure that the resources we request are sharply focused on only the most critical foreign policy goals, the President has fundamentally realigned aid priorities and the process of allocating assistance. These steps were taken to avoid scattering resources among widely divergent and unattainable goals, as sometimes happened in the past.

The overwhelming proportion of our 1983 aid program will go to nations which share our strategic concerns or which are situated to improve our own diplomatic and military capabilities.

- Our aid enables Israel and Egypt to retain the confidence necessary to take new steps for peace.

- Our aid secures our ties to Kenya, Somalia, Oman, and others that provide a U.S. presence all along the vital oil lines of the Middle East.

- Our assistance to threatened states, such as Pakistan, Sudan, Yemen,

additional \$60 million in security assistance for the area, which will not require an additional authorization. Naturally, I will be discussing this more fully Thursday in my testimony before the House Appropriations Committee. Wednesday we will transmit to you and other Members of the Congress a written description of these requests.

The overwhelming proportion of our 1983 aid program will go to nations which share our strategic concerns or which are situated to improve our own diplomatic and military capabilities.

Morocco, and Tunisia guards against external coercion and reduces the likelihood that the United States will have to undertake more direct and immensely more expensive action.

- Our aid to Turkey strengthens a strategically vital ally and contributes decisively to Western security along NATO's critical southern flank.

This aid will be both economic and security oriented. Bolstering a nation's economic development increases its chances of avoiding internal problems. Promoting and encouraging private investment will receive a special priority.

To meet the specific objectives I have outlined, we are requesting additional authorizations of appropriations of \$1.8 billion. As you know, the President has already asked for a \$350 million supplemental appropriation for FY 1982 to meet our commitments for economic assistance under the Caribbean Basin initiative. He has also requested up to an

We recognize that many in Congress, in authorizing foreign assistance for both FY 1982 and 1983, hoped that additional authorizations would not be necessary this year. The approval of foreign assistance increases is especially difficult as we endure austerity and economic privation. But the cost of inaction now will far exceed the resources we seek. Our most essential interests are under attack, both close to home and in distant but critical parts of the world. Our nation's security tomorrow requires an investment in foreign assistance today.

¹Press release 82 of Mar. 3, 1982. The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Proposed FY 1983 Foreign Assistance Program

Secretary Haig's statement before the Subcommittee on Foreign Operations of the House Appropriations Committee on March 4, 1982.¹

It is a pleasure to appear before the House Appropriations Subcommittee on Foreign Operations to present the Administration's proposed fiscal year (FY) 1983 foreign assistance program. Over a year ago, in my first testimony here as Secretary of State, I committed myself to developing a close working relationship with you, Mr. Chairman, and all the committee members so that we could move together to strengthen our nation's international position. While we have not always agreed on specific issues, I believe we have developed a constructive relationship. Your wise advice has been most appreciated.

Together we have made an important beginning as we seek to reinvigorate American leadership abroad. For the first time in 3 years, the Congress has enacted foreign assistance appropriation legislation, giving substance to President Reagan's declaration that "America will not shrink from making the investments necessary for both peace and security."

But we cannot stop here. We must build on the progress we have made. The competition we face is too serious and our own requirements too great to rest now. A first-rate American foreign policy simply cannot be run on second-rate resources.

The task of statecraft is to master events, not simply to react to them. In this complex age of interdependence, American diplomacy requires broad and flexible assets to deal with a variety of situations. Foreign economic and security assistance is a critical element in giving us such flexibility.

For too long, foreign aid has been misunderstood and underrated, dismissed as naive idealism or ineffective philanthropy. Whatever the accuracy of such views in the past, they cannot be sustained today. We are requesting foreign assistance to serve compelling national security, foreign policy, and economic needs.

Today, I would like to explain the President's request for an increase of \$1.4 billion in security and economic aid in FY 1983. With your permission, I would also like to submit for the record a short but comprehensive report that details the major elements of our FY 1983 foreign assistance proposals.

As you know, the President has already asked for a supplemental appropriation for FY 1982 of \$350 million to meet our economic assistance commitments under the Caribbean Basin initiative and an additional \$60 million in security assistance for this area.

Let me be more specific about the risks to American national interests that would be the consequence of inadequate foreign assistance.

- We would not be able to help reduce the economic misery in the Caribbean Basin that encourages domestic violence and external intervention.
- We would risk critical setbacks to our peacemaking efforts in the Middle East and southern Africa.
- We might lose military facilities essential to the defense of Western interests in distant but vital regions of the world. Our access agreements with Kenya, Somalia, Oman, and others help us to sustain a U.S. presence all along the vital oil routes to the Middle East.
- We would court the danger of further deterioration in the military capabilities and economies of key allies, such as Turkey.
- We might encourage the subversive efforts by Soviet and Soviet-proxy forces. Our assistance is vitally important to countries friendly to the West such as Pakistan, Sudan, Yemen, Morocco, Tunisia, Somalia, and Oman that are under growing pressure from Soviet client states.
- We risk damage to important markets and commercial ties. Today more than one-quarter of our agricultural and manufactured exports goes to the developing world.
- Finally, we might weaken valuable multilateral financial institutions which have contributed to economic growth and must continue their vital role in economic development.

The President's program of foreign assistance is not only a safeguard against all those dangers but an integral element of the President's foreign policy. It is absolutely necessary if our strategies are to succeed in achieving their objectives. For example, our policy in the Middle East pursues two goals: the search for a just and lasting peace and the urgent requirement that our friends in the region be secure against threats from the outside and from Soviet surrogates and radical forces within the region. These goals reinforce each other. No peace is possible unless local countries are secure from outside coercion; and security will not be achieved if we fail to address the underlying sources of conflict and instability.

Our foreign assistance serves both of these goals. It seeks to advance the welfare of the populations and the economic health of their countries to promote economic and political stability throughout the region. The security and economic health of Israel and Egypt give these nations the confidence to continue on the path toward peace begun at Camp David.

Similarly, our policy in Southwest Asia seeks to insure Western access to oil from the Persian Gulf. Almost all the countries in the area stretching from Pakistan to Morocco are economically troubled. In addition, they face potential subversion or regional threats, in many cases supported by the Soviets or their proxies. Our 5-year program of military modernization and economic assistance will help Pakistan to meet the Soviet threat from Afghanistan and facilitate the development essential to internal stability. Our assistance helps Sudan, Morocco, and Tunisia to face threats of subversion or aggression emanating from Libya.

In the eastern Mediterranean, we seek to strengthen our relations with two major allies, Greece and Turkey, to buttress NATO's vital southeastern flank, and to facilitate the search for a solution to the Cyprus problem. Our assistance is required for a strong Turkey, which lies at a key geopolitical crossroad, the intersection of our NATO, Southwest Asia, and Middle East interests. Both security and economic stability are necessary to maintain the momentum toward restoration of democratic institutions in Turkey. Security assistance also helps a democratic Greece fulfill its NATO responsibility.

In the Caribbean, the President's policy seeks to provide both the economic help that the nations of the region need to overcome legacies of poverty and injustice and the security assistance needed to prevent Castro from exploiting those conditions to establish new totalitarian regimes. We must provide the resources needed until increased investment, a strengthened private sector, and expanded export markets enable these countries to achieve economic self-sufficiency. The amounts for security assistance are modest, equaling just over \$100 million out of a total aid request of \$675 million for the entire basin area.

El Salvador, where insurgents seek to prevent elections and destroy the economy, would be the largest single recipient of both security and economic assistance. Jamaica will continue to need substantial assistance in order to restore the vitality of its shattered private sector. Our support for Costa Rica's rapidly deteriorating economy will help that country to carry out fundamental economic reforms and to preserve the longest democratic tradition in Central America. In Honduras, another move toward democracy faces the dangerous combination of a quickening economic decline and a political-military crisis upon its borders.

To assure the most effective use of our scarce resources, the President has realigned foreign assistance allocations with careful attention to priorities. The promotion of truly lasting economic growth remains one of our key objectives. Our program recognizes that assistance alone will not guarantee economic development. Growth also requires proper economic incentives, national commitment, and a reliance on the creativity and resourcefulness of the individual.

The program also responds to the pressing needs of key strategic nations for increased economic support and con-

cessional military sales. Such nations must receive help in order to bolster their defense against outside subversion and to prevent economic crises.

Our new focus on essential strategic and development objectives should not obscure our pride in the continuing American commitment to traditional humanitarian objectives. We remain the major source of assistance to refugees in Africa, Pakistan, Southeast Asia, and the Middle East. We direct the bulk of our development and food aid to the world's poorest countries. These countries—with limited access to private capital markets—depend on concessional assistance to support their development efforts. To meet these needs, President Reagan committed the United States at Cancun to maintaining assistance levels to these nations.

Secretary Haig Visits Europe and North Africa

Secretary Haig departed the United States February 7, 1982, to visit Madrid (February 7-10), Lisbon (February 10-11), Marrakech (February 11-12), and Bucharest (February 12-13). He returned to the United States on February 13.

Following are the Secretary's statement made before the Conference on Security and Cooperation in Europe (CSCE) in Madrid on February 9 and texts of news conferences held in each city.¹

STATEMENT AT CSCE. MADRID, FEB. 9, 1982²

We are at a critical crossroads in the postwar history of Europe. Our peoples have invested great hopes in the promise and principles of Helsinki. From Madrid we must send them a clear signal that we are determined to fulfill that promise and to insist upon those principles. Otherwise, the Helsinki Final Act and the process of reconciliation, which it symbolizes, will be seriously, perhaps irreparably, damaged. In 1975, 35 heads of government committed themselves to heal the wounds and divisions of Europe. Respect for the rights of nations and individuals was to form the basis for much greater security and cooperation. A new era of trust, trade,

I recognize that approval of foreign assistance in this time of austerity will be difficult. But we shall pay a greater price later if we do not act now. America's most essential interests are under attack. The President firmly believes that the resources he has requested are crucial to defense of these interests and to the promotion of a more peaceful and secure world. Our nation's security tomorrow requires that we make an investment in foreign assistance today.

¹Press release 86. The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.■

travel, and freedom was to ensue. Europe was to be made whole again.

Now that vision has been fundamentally challenged. As we confront the complexities of the present situation, we might well heed Winston Churchill, who advised that: "In critical and baffling situations, it is always best to recur to first principles and simple action." We are, indeed, in a critical situation. The first principles of the Helsinki Final Act are under attack. My purpose—and, indeed, the purpose of this conference—must be to defend the act by speaking clearly about what is happening and why. For more than a year, the American delegation, ably directed by Ambassador Kampelman, has sought with others to build on the promise of the Helsinki Final Act. We have discussed our differences, and we have pursued new initiatives. Throughout, our purpose has been to strengthen security and cooperation in Europe. All of these efforts are now overshadowed by ominous events in the heart of Europe itself. The Polish people, whose destiny has always affected European security, are being denied their right to determine their own affairs. A forcible suppression of the Polish search for dignity in the workplace, for freedom, and for self-determination is underway. The generals of this war against the Polish people are

The Comprehensive Report

The comprehensive report to which the Secretary referred is entitled "International Security and Economic Cooperation Program FY 1983" (Special Report #99). Free, single copies are available from the Public Information Service, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.■

none other than the Polish regime itself, acting under the instigation and coercion of the Soviet Union. How can these actions be reconciled with Polish and Soviet signatures on the Helsinki accords?

Danger to Security and Cooperation in Europe

Nothing endangers security and cooperation in Europe more than the threat and the use of force to deny internationally recognized rights. Nothing endangers the Helsinki Final Act and the Helsinki process more than this willful violation of solemn international obligations. We would be threatening the future peace of Europe if we ignored this dramatic attack on international principles.

Clearly, all countries interested in a more secure, united, and open Europe—the work of this conference—have a responsibility to raise their voices here today. The American people, and other peoples as well, could never countenance a cynical attempt to place the Polish tragedy beyond the reach of the Helsinki Final Act. To the contrary, the act justifies our concern and demands our protest. Put most simply, the issue is whether we meant what we said in August of 1975.

In principle I of the Final Act, the signatories said that states had the right to choose and develop their political, social, economic, and cultural systems. Yet through intimidation and interference, the Soviet Union has conspired with the Polish military authorities to deprive Poland of this basic right.

In principle II the signatories said that participating states would refrain from the threat or use of force against the territorial integrity or political independence of any state. Yet Soviet and Warsaw Pact military demonstrations and the palpable fear of Soviet military intervention have been used to intimidate the Polish people in their search for reform.

In principles IV and VI, the signatories said they would refrain from any action against the political independence of any other participating state and from any intervention in their internal or external affairs. Yet the Polish nation has been the victim of a long and vicious campaign. Official statements, some emanating from the highest levels of the Soviet Government, have warned of dire consequences if the Poles persisted in their pursuit of Polish solutions to Polish problems.



Secretary Haig addressed the CSCE in Madrid on February 9. Here he is with Ambassador Max M. Kampelman, chairman of the U.S. delegation (left), and Terence A. Todman, U.S. Ambassador to Spain. (UPI photo)

In principle VII, the signatories said they would promote and encourage the effective exercise of civil, political, economic, social, cultural, and other rights and freedoms. But the Polish military authorities, far from promoting and encouraging the exercise of these rights, are suppressing the most fundamental freedoms of the Polish people.

In principle VIII, the signatories said they would respect the right of peoples freely to determine their political status, without external interference, and to pursue as they wished their political, economic, social, and cultural development. Violation of this principle threatens the entire Final Act. Yet since the beginning of the reform movement in Poland, the Soviet Union has attempted systematically to deny the right of the Polish people to chart their own future.

In principle X, the signatories said that: "In exercising their sovereign rights, including the right to determine their laws and regulations, they will conform with their legal obligations under international law. . . ." The suppression of the civil and human rights of the Polish people violates the internationally recognized rights set forth in the U.N. Charter and the Universal Declaration of Human Rights, as well as the specific provisions of the Final Act.

What I have just described is the bill of rights which the Helsinki Act provided Western civilization. Thus, the Final Act sets forth basic standards by which to judge ourselves and each other. These principles were the product of laborious negotiations. They were solemnly under-

taken. My own country's attitude was well expressed by President Ford, when he said:

We take this work and these words very seriously. We will spare no effort to ease tensions and solve problems between us. But it is important that you recognize the deep devotion of the American people and their government to human rights and fundamental freedoms and thus to the pledges that this conference has made. . . .

Pattern of Violations

The United States and many other governments represented here today proudly hold ourselves to these standards. The Helsinki Final Act embodies our rejection of the self-serving sovereignty that equates might with right. It reflects the international consensus that all of the principles are equally binding. No state has the right to arbitrary definition. No state has the right to claim selective exemption. Yet, as we meet today, the exercise of arbitrary power and violence has become a pattern.

Together with many others, the American delegation has detailed here since September 1980 the Soviet Union's continuous and utter disregard for the Helsinki Final Act. Afghanistan has been invaded. Soviet citizens trying to monitor the Soviet Union's compliance with Helsinki have been attacked, imprisoned, and placed in mental institutions. Emigration has decreased dramatically. In neighboring Poland, the people now face a ruthless campaign of oppression instigated and supported by the Soviet Union. These are not random

acts but systematic policy. Soviet acts have clearly nullified Soviet commitments.

Such acts of oppression and intervention make it impossible to establish conditions for a more free and secure Europe. To ignore them would condemn this conference as a charade. The Helsinki Final Act would be reduced to a worthless piece of paper.

We cannot accept the fallacious argument that legitimate security interests or alliance systems are threatened by a defense of the Helsinki principles. In fact, peaceful change is essential to any durable framework for security. No legitimate government is threatened by freedom and justice. Solidarity with the Polish people and our support for their rights are essential to the survival of the Helsinki process—and to our own self-respect.

The Need for Constructive Action

The Polish regime and the Soviet Union know very well that they have violated the Helsinki Final Act. They have taken a path inimical to security and cooperation in Europe. It is up to them to demonstrate that they take seriously the principles to which they are pledged.

- We look for the release from prison of those trade union leaders and others who seek to realize the objectives of the Helsinki Final Act for their people. Promises of good intentions or the mere movement of prisoners to model camps are not enough.

- We look for the lifting of martial law. This means the end of repressive conditions.

- We look for reconciliation in Poland. Restoration of internationally recognized rights, and a resumption of a process of reform and liberalization provide the only basis for a constructive national dialogue, free from external coercion.

The American people, like those of so many lands, have a special and strong attachment to the people of Poland. No nation has suffered more, nor displayed such enduring courage. Relief from current oppression is not enough—the Polish people want more, need more, deserve more. The United States has decided to join other concerned countries in offering a major program to help Poland overcome its economic problems, including agricultural shortages and massive external debt. This assistance will become available when the basic

rights of the Polish people are restored and their quest for a more decent society resumed.

We will not aid tyranny. But if tyranny stands aside, we are ready to help. It is up to the Polish military regime and the Soviet Union to create and to maintain the conditions in which the Polish people can, with Western assistance, rebuild their economy.

As these conditions are restored, we also will be among the first to insist that we return to the job of reaching agreement on moving the Helsinki process forward in both the human rights and security areas. In the meantime, business as usual here at Madrid would simply condone the massive violations of the Final Act now occurring in Poland. These violations—part of a broader pattern of Soviet lack of restraint—threaten the very basis of this conference. We cannot pretend to build up the structure of peace and security here in Madrid while the foundation for that structure is being undermined in Poland. How can the United States return to

... Soviet and Warsaw Pact military demonstrations and the palpable fear of Soviet military intervention have been used to intimidate the Polish people in their search for reform.

negotiations on new words and new undertakings while existing obligations are being so blatantly ignored?

Vision of Helsinki

Today, our deliberations must focus instead on the challenges to the integrity of the Final Act and the CSCE process. To do otherwise would endanger successful negotiations, if and when circumstances permit, on the basis of the constructive proposal tabled by the neutral and nonaligned states last fall. Even more fundamentally, it would dishonor the Final Act and our commitment to uphold it.

I want to conclude by quoting from the Polish bishops who wrote recently that: "Real peace stems from respect for freedom and the correct understanding of everyone's right to freedom." This lies at the heart of the Helsinki process. In the final analysis, peace and security in Europe depend on respect for the freedom of nations and individuals in Europe. Recognition of this fact is the key to the removal of the barriers dividing East from West.

Freedom is the proudest achievement of Western civilization. It was given recent expression in the successful and peaceful transition to democracy in Portugal and here in Spain. The vision of man as a creative and responsible individual has flourished despite the artificial divisions decreed by ideologues and dictators. Western ideals nourish all the nations of Europe, not only those members of the Atlantic world. After a quarter century of iron curtain and cold war, the Helsinki Final Act promised a new era because it was based on this unifying vision of man.

But the ideals of the West are in danger if their defense is not considered vital by the nations of Europe. The process of reconciliation can be halted if we ignore the acts that betray our faith. The structure of security and cooperation can collapse if we avert our eyes from the undermining of its foundation. Only full observance of the Helsinki Final Act will insure the solidarity of the nations of Europe. Only respect for freedom will insure the survival and flourishing of Western civilization.

**NEWS CONFERENCE,
MADRID,
FEB. 9, 1982³**

As you know, member governments came here to Madrid more than a year ago with the hopes of strengthening the CSCE process and to find new ways to build on the Final Act of the Helsinki accords. The U.S. Government and, indeed, the Western allies support and continue to support this process.

In the intervening period and although the conference itself thus far has been proceeding against the cloud of the situation in Afghanistan, we have been faced since December 13th with the instigation of martial law in Poland and the crushing of civil and political rights which now constitute a new threat to the CSCE process to this conference and all our hopes for it. In this regard, it is the considered view of the Western

governments that the Polish Government and the Soviet Union bear heavy responsibility for the situation. The presence here at this conference today of so many Western foreign ministers, indeed, reflects our support for the aims, purposes, and objectives of Helsinki. But it also reflects our determination to set this process right.

This morning, until a few moments ago, Western leaders addressed not as an affront to the obligations of Helsinki, but there were repeated references to the continuing unsatisfactory situation in Afghanistan and the suppression of human rights within the Soviet Union itself. Again, we all collectively emphasized our hopes for progress, but our recognition that that progress will depend on the situation in Poland. From the U.S. point of view, we are dedicated to the proposition that we will not, I repeat not, conduct business as usual while this situation continues in Poland. We are here to speak to the Polish crisis as a violation of the underpinnings and the structural framework of the Helsinki accords, and the Soviet response this morning in no way provided an adequate explanation for the repressions that are occurring in Poland today. We will, in the days ahead, continue to raise our concerns from the U.S. delegation, and I speak with confidence from the entire Western delegations with a great emphasis on the threat that it poses to the spirit and the letter of Helsinki. Thus far this morning, we have had interventions on the Western side from Canada, Belgium, Italy, the Federal Republic of Germany, Spain, and the United States.

I think it's important we not lose sight of what all this is about. The Soviet Union has invaded Afghanistan and occupies and suppresses that country today. The Soviet Union has aided and abetted the suppression in Poland. The Soviet Union has failed to accept the rights and principles established in the Helsinki accords. And it is important at this juncture in history that we address these concerns without further inhibition.

As you know, by alphabetical coincidence, Poland is in the chair for today's meeting. I deeply regret having to report that the Polish delegation has arbitrarily blocked the opportunity for a number of the delegates to speak today, contrary to the spirit that has, indeed, always marked the CSCE meetings up until now—the kind of discussion that CSCE was intended to promote. It is no surprise that the guilty tried to evade exposure of their wrongs. They will not,

of course, succeed. What they have done is to further discredit themselves, to outline their guilt all the more sharply, and to demonstrate once again their disregard for the CSCE process. But they will hear the truth anyway, however much they wish to hide from it.

Q. After reading your statement of today, I have some doubts whether the United States will reduce the level of participation here in the CSCE and, secondly, why the United States didn't mention any of these treaties when Turkey had another coup in the past.

A. With respect to the first question, we are here and at my level today and on a permanent basis with Ambassador Kampelman [Max Kampelman, chairman of the U.S. delegation to the CSCE]. We will continue to participate as an expression of our concern about the situation in Poland. I want to emphasize, however, that it would be inconceivable that we could participate in a business as usual atmosphere. In other words, for as many days or weeks as it takes to express, at our normal level after today, our concern about the Polish situation, we will do so. We will wait and listen to hear what the Soviet Union and the Polish Government have to say on the very vital subjects that have been raised this morning. Thus far, we have not heard any acceptable answers.

The question has come up about parallelism between what is occurring in Poland and what has occurred in Turkey. It would take probably the worst distortion of the so-called double standard I referred to, to create a parallel. In Turkey, Turkish military authorities were faced with the extreme terrorism of the right and the left to a level in which 20 innocent Turkish citizens a day were becoming the victims of that violence. There is and was terrorism in Poland.

Secondly, the Turkish military authorities now responsible for the Government of Turkey have committed themselves and have, indeed, announced a date certain for a return of the constitutional process. They have reestablished the law and order that was not in evidence before the imposition of martial law in Turkey and have set in train a sound economic development program for the people of Turkey. Precisely the opposite is the case in Poland.

Third, the Turkish authorities today enjoy the unanimous or near unanimous support of the Turkish people as they attempt to return the government to law and order under democratic process.

Precisely the opposite is the case in Poland where the support of the Polish people is for the Solidarity trade union movement, which has been brutally suppressed and which is in the process of dismantlement, as a result of the repressive acts of the Polish Government.

Q. You mentioned in your speech today that if basic human rights were restored to Poland, your government would be prepared to take part in a massive aid program. Could you say something about the scale and nature of that program if basic human rights were restored?

A. I don't want to dot too many i's or cross too many t's. I think you will note that similar interventions were made by other Western ministers today, and we have been in discussions with our West European partners. Both in the Nine and in the NATO forum, we have already made it clear that we are prepared to concern together to deal with the tragedy that is Poland today, both in the context of the substantial provision of foodstuffs—goods and materials—and substantial credits to help deal with the staggering debt of the Polish Government today. That would be a concerted Western action. The United States would play its full role as it has in the past before the suppression in Poland. This last year alone we came close to a billion dollars worth of U.S. assistance to the Government and people of Poland during the period when national reform and rejuvenation was permitted.

Q. As for your speech, as I understand it, you said that you separate the Polish problems and you treat it first before you start to work for the final agreement. Instead of this, are you not dealing with the Polish problem in the very framework of the discussion toward final agreement; that is the range of contact as usual, for, because of Poland, the Western alliance has imposed some sanctions in technical scientific areas, which turns out to be related to topic two of the Helsinki Act. Isn't this way of involvement much the more efficient or practical to avoid the new key silent period between East and West?

A. In the first place, I don't see these as mutually exclusive alternatives in any way, and your question presumes a set of decisions that have not been made on the part of the West. You'll recall that we have continued to participate in the Geneva arms control discussions on intermediate missiles. I

met 2 weeks ago in Geneva with the Soviet Foreign Minister to discuss a whole range of issues but with focus on the backdrop of the Polish question.

I think it's very important to focus on what CSCE is all about. There was indeed, the Helsinki accords in 1975 that were the structural underpinning, if you will, of the concept of detente. It was the Helsinki accords and its Final Act which have provided the basis for a normalizing process between East and West. It is those Helsinki accords which constitute both the spirit and the letter of the mutual obligations of the signatories to those accords which are now being grossly challenged and violated by events in Poland, the continuation of the situation in Afghanistan, and a failure to live with other obligations incurred at that time.

But the situation in Poland is, in Europe, the heart and the focus of the Helsinki effort; peace and stability and security in central Europe or in Europe proper. It would be absolutely ludicrous to hang additional accoutrements on the Final Act when the Final Act itself is being basically violated. One of the speakers said it would be like building on shifting sands, and we must not do this.

The other actions being taken by the West in response to the suppression in Poland, of course, constitute collective action to do all that we can do responsibly to cause the Polish leadership to step back, to reinstitute the process of reform, to release the prisoners, and to lift martial law and above all to influence the Soviet Union and its leaders to recognize that it is in our collective best interest to have a return to normalcy in Poland at the earliest possible date.

Q. What will be your comments about the Soviet intervention in the countries regarding that the United States is a stabilizing force and at the same time is guilty of helping Fascist governments—like Pinochet, Central America, and South Africa? That's what the Soviet delegates said at the conference.

A. Why don't you add to that we have considered resuming the production of chemical weapons; add that charge, too.

Q. Also the production of chemical weapons.

A. Let's start with that one first, because, as you know, last year when I visited Berlin, in a speech I gave there I referred to growing, mounting evidence

of the use of chemical and biological weapons—mycotoxins in Afghanistan and Southeast Asia, Laos and Kampuchea. Since that time the evidence has mounted dramatically. And we have unequivocal evidence of the use of these systems. I think it is a ludicrous statement for any Soviet spokesman to make.

With respect to our relationships with the regimes litanied in the Soviet intervention, I won't presume to classify each and every one of them because they are all in a different state of development. Some in the past have caused concern in my own country. All have been in the process of reform. I think if you will analyze each and every one, to differing degrees you will find responsive reaction to the concerns not only of worldwide public opinion but the U.S. concern. And major steps have been taken in some of those cases to reinstitute the values and principles that we espouse in the Helsinki accords.

We are today faced with a situation in which we are witnessing the consequences of a direct Soviet invasion of the nonaligned neighboring state, Afghanistan, the continuing suppression and brutalization of the populations there by armed might, the installation of a puppet regime which is in office simply and solely because of Soviet military power, and we witnessed on the 13th of December the institute of martial law in Poland. There is no sign in any of those instances either of ameliorating policies or commitments. That's notwithstanding certain token steps that have been taken by the Government of Poland. So I don't think those of us who are concerned about the truth and objectivity should be led astray by specious allegations designed to deflect our attention, as was this parliamentary brouhaha a few minutes ago, from the truth of what's going on in Poland today.

Q. I wonder if you can be a little more specific on what you mean by no business as usual? You seem to indicate that Ambassador Kampelman is going to stay here, that the meetings are going to go on at the CSCE. So what basically is changing about our approach to this conference?

A. The change is fundamental. The focus of every American intervention—the exclusive focus—will be the situation in Poland, not the business of the conference. That will continue until we have had an ample opportunity to assess very carefully what the Eastern reaction will be—not just their immediate reaction today but over a matter of days and perhaps weeks.

Q. [Inaudible] conference it is possible human rights in Poland that the Helsinki I principles be [inaudible] and that everyday [inaudible] Central America. What do you think about the human rights in that part of the world? [Inaudible] go back to years of the cold war?

A. I think with respect to your first question, let me assure you that hardly a day goes by that I don't concern myself that the President's Administration does not concern itself about the situation in Central America. We've made it very clear that we are as opposed to excesses of the right as we are to excesses of the left. We have been actively engaged in trying to alleviate the socioeconomic dilemmas and contradictions that exist in Central America today and which feed the bloodshed and terrorism from both the right and the left.

But I think it is important also to remember that it is the left that is obtaining massive amounts of support, armaments, command and control, training, and it was the left which initially instituted the bloodshed in El Salvador. It is our hope that we pursue policies which would make the people of El Salvador the final criteria of the government under which they would exist. And that's why we have consistently encouraged early elections and a national referendum where the Salvadoran people can speak at the ballot box what they have been unable in certain circles to speak toward the extremists who have pursued violence in that country.

I don't see any double standard here at all; quite the contrary, the double standard would be that if we here in the West focused on the admittedly undesirable and, indeed, unacceptable excesses that are occurring in the turbulent Central American region and used that as an excuse to accept right here in the heart of Europe a far more repressive and far less ambiguous suppression of the values that we espouse and cherish. I would hope that those of you who engage in these introspections keep your focus clearly on that reality.

Q. Is it true your delegation will not leave the conference in the next days or next weeks because of the Polish press?

A. I don't think we have threatened to leave. I've seen some press speculation to that effect. We're here because of our continuing support for the CSCE process. We are going to speak to Poland as long as it is necessary out of respect for that process. What that will mean in the days ahead is too early to

say. We're going to listen to the other side and see whether or not this effort is going to reestablish a sound framework for the conduct of business as usual. As of today, no way.

Q. Do you expect an early adjournment?

A. It isn't for us to say. This is a consensus operation. I do know I expect the United States, and I expect our Western partners because they have reassured me accordingly, to speak vigorously to Poland, and if there is a consensus to recess or to terminate, that remains to be seen.

NEWS CONFERENCE, MADRID, FEB. 10, 1982⁴

I want to state at the outset that the purpose of this press conference is to focus on Spanish-American bilateral relationships having conducted a press conference yesterday on the Madrid CSCE conference—a conference which is proceeding, as expected, with very clear and full Western unity, with the focus on the situation in Poland and the impact that that has on the entire CSCE process. I anticipate that that focus will continue in the days ahead.

Turning now to Spanish-American bilateral relationships, I want to emphasize that I've had extremely productive discussions here in Madrid, first with His Majesty King Juan Carlos; with Prime Minister Calvo-Sotelo; and with my counterpart, Foreign Minister Perez Llorca.

In these discussions I emphasized that the United States is committed to the democratic process in Spain, admires immensely the strength and vigor of the democratic institutions that have been established and which are now thriving in Spain, and views democracy in Spain as the guiding principle of Spanish-American relationships.

We welcome Spain's movement toward full membership in Western institutions. We consider Spain a valuable international partner and welcome and fully support Spain's decision to enter NATO. With respect to NATO we see the alliance moving rapidly to ratify Spanish entry. Canada and Norway have already done so. The United States and two or three others will do so in the immediate future, and look forward to full ratification sometime this spring by all member governments. The United States also seeks to build in the period

ahead stronger and more intimate bilateral relationships with Spain, and in this regard the on-going base negotiations and the U.S. security assistance program with Spain will reflect this American objective. In conclusion, I consider this visit to have been highly beneficial in the context of the Spanish-American relationships.

Q. You have referred to Spanish-American relations in a very vague way. I wonder if we could ask you to be a bit more specific as to the negotiations. Do you believe that they will be ended, that they will conclude at the same time as the conclusion of the ratification process for the entry of Spain into NATO, and if that is the case, do you believe that this entire process will climax with the visit of President Reagan to this country in July?

A. First let me emphasize that we are very, very pleased with the current



Spanish King Juan Carlos I.

conduct of the base negotiation. We do see somewhat an interrelationship between the completion of the ratification process, the program for American security assistance that will be submitted to the Congress for FY 1983, and the timely conclusion of the base negotiations by May of this year. I remain very optimistic that all of those events will happily, in an interrelated way, coincide.

The question of a future visit from President Reagan is one that only he can answer. There is no current plan for such a visit. I don't have to tell you, however, and I could not over emphasize the great regard that the President has for American-Spanish relationships and for his relationships with the officials

here in Madrid. We've had a very successful visit from His Majesty recently in Washington which the President has described as one of the highlights of his first year in office, and it was, indeed, that for all of us.

Q. In your conversations with Spanish authorities, have you considered the possibility of a Government of Spain headed by Socialists, and I say in a medium term span? If that were the case, what variations would that represent for the 4-year relationships with this country, and what new situations would you envision under those circumstances?

A. I think it would be highly inappropriate for a visiting official from the United States to comment on any way on the sovereign internal affairs of the Spanish people, and I don't intend to do so. It would be wrong, self-defeating, and counterproductive.

Q. Since Spain and the United States were on the same side in the debate yesterday at the conference, I hope you will allow me to ask a question that reflects on the conference. Why do you think the morning after, the Soviets and Poland were so determined to cut off Western denunciations of the crackdown in Poland?

A. I suppose that many of us have spent a good part of our lives trying to fathom Soviet and Eastern motivation. One could look very intensely at the Soviet media this morning, *Izvestia* in particular, which suggests that there was an orchestrated unanimity in the Western interventions yesterday on the topic of Poland. One could also question the tactic of accepting interventions by a number of Western spokesmen and then rather belatedly snuffing off, through a trumped up parliamentary procedure, the intervention of other ministers who had traveled so far. It clearly underlines, in my view, the weakness and the incompatibility of the current policies of Moscow and Poland in Afghanistan and in the broader areas of implementation of human rights obligations. I consider it to have been a rather unfortunate misjudgment of neutral, nonaligned, and Western attitudes with respect to these violations.

As I said yesterday, there is no question in my mind that the truth will come out, that Western spokesmen and nonaligned and neutral spokesmen as well will, indeed, have their opportunity to speak in the days ahead and have every right to insist on this opportunity.

Q. Everybody knows the great admiration and friendship felt by the President of the Socialist Party of Spain for Fidel Castro. And my question is did the U.S. Government, in receiving Felipe Gonzalez recently, receive him as a representative of these guerrillas, as a President of the Socialist International, or as a member of the Socialist International?

A. [Laughter] Without accepting any of the premises of your question necessarily [laughter], the recent visit of Felipe Gonzalez to Washington was predicated on his recent visit to Central America as the Vice-President of the Socialist International and our desire to discuss with him his own observations during that visit and the report that hopefully he would make to the upcoming meeting of the Socialist International.

I would describe that discussion, which was essentially of the character I just said, as one that reflected Mr. Gonzalez' concern, which parallels my own, about the internal developments in Nicaragua which clearly manifest a trending toward a militaristic, totalitarian Marxist/Leninist model, which we consider to be unacceptable and a serious threat to peace and stability in the Western Hemisphere.

Q. I would like to have your forecast as to the future of the conference itself. Do you think it's going to be postponed, or it's going to be canceled as a result of yesterday's events?

A. Clearly the future deliberations will be determined by a consensus view among the participants. It wouldn't be appropriate for me to predict how long the conference will run. I will suggest that from the U.S. point of view, and reiterate what I said yesterday, that we cannot proceed with these discussions business as usual, that it would be our intention so long as we are here in this session to focus on the situation in Poland, hopefully to receive some more enlightening responses than we did yesterday from the Soviet intervention, but to continue to assess the situation as it progresses with the focus on the Polish issue.

With respect to the Helsinki process, I would want to emphasize that the United States very much values the Helsinki process and successful continuation of these talks. However, we consider incompatible with extension of the final act discussions the violations that are occurring in Poland. As I said yesterday, you cannot build on an edifice which is structured on shifting sands,

and they are the basic violations of the basic principles of the Final Act signed in 1975.

Q. Is there any truth in the stories about the differences among the Western nations as might be reflected by the very long meeting that you had with West German Foreign Minister Genscher and to what degree is there a difference of opinion with the European nations as to the hardness or softness of the positions to be adopted vis-a-vis sanctions against the United States—or against the U.S.S.R. and the East-West dialogue as a whole?

A. While we are drifting away from the topic of bilateral relationships, let me assure you that the extensive consultations which I had with my colleague Hans-Dietrich Genscher were a reflection of a convergence of view, as has been traditionally the case rather than a lengthy exposition on differences. I think it's very clear from the interventions made yesterday by Western representatives—the Spanish Representative, the President of the Economic Community, and the Foreign Minister of Belgium, Mr. Tindemans, Foreign Minister Genscher, and my own intervention—that there is a very clear convergence of viewpoint on the whole Polish question and its impact on the current conference here in Madrid. I do not see, and I am conscious of some press speculation with respect to differences, any differences, of any significance in the conduct of this conference and its future, but I leave that to your judgment as the facts unfold in the days ahead.

With respect to sanctions and the question of NATO attitudes on the Polish crisis, I would ask you to reflect back on similar situations which were even less ambiguous, if this one is ambiguous—the Czechoslovakian crisis, the Hungarian crisis, the crisis in Eastern Germany—and never before has there been such unanimity of view achieved within the NATO alliance; first with respect to the true nature of events in Poland, second with respect to the culpability of the Soviet Union for these events, and third with respect to concertation of effort and policy in reaction to these events both in the context of political, economic sanctions, and the whole array of post Polish policies. These are the focus of continuous consultation among the member governments but which will always reflect the sovereignty of our member governments. While it may be frustrating in

comparison with the Warsaw Pact, which does by mandate and Diktat demonstrate unanimity, it is also the great strength of our Western alliance, and I would never want it to be any other way.

Q. Are you satisfied with the response of the NATO partners in Europe toward cooperation in the gas pipeline project? Would you like them to review the attitude and, in particular, would you like governments in Britain, France, Germany, and Italy to try to discourage companies from participating in that project?

A. I think the U.S. position on the gas pipeline project has been longstanding and consistent. It has been one of great concern that our West European partners not permit themselves to become overly dependent on Eastern sources for natural gas or any energy product. In that regard we raised this issue at the Ottawa summit in Canada last summer. We sought to develop a program of attractive alternatives.

As I recently said in a press interview, unfortunately those alternatives were not attractive sufficiently because of our own austerity at home in our ability to develop coal alternatives and other alternatives. We have not given up. We are continuing to review attractive alternatives to present to our European partners with the hopes that they will scale down or cancel the pipeline project. However, it is vitally important in the period ahead that we do this in the consultative give-and-take way that we have approached this problem from the beginning and recognize that our European partners have their own imperatives as well. I do not think that the crisis in Poland should be seized upon to change the basic approach that we've already consistently followed from the outset of this question.

**NEWS CONFERENCE,
LISBON,
FEB. 11, 1982⁵**

I just want to say a brief, few remarks about this very, very compressed and much too brief visit to your country, Portugal. This visit was, as you know, at the invitation of my colleague and the Foreign Minister of the Government of Portugal, Goncalve Spereira, with whom I have had very close associations since assuming my position as Secretary of State.

The visit itself I found to be extremely fruitful. It was a continuation of on-going and close consultations between our two governments. Its focus involved regional and alliance affairs, the coordination that has become so essential at a time of the suppression of freedoms and liberties in Poland. It involved a host of discussions related with the CSCE conference in Madrid, on-going Western actions related to the crisis in Poland. It involved also other regional discussions in areas of common interest between the Government of Portugal and the Government of the United States. It included extensive discussions on the situation in southern Africa where Portuguese experience and influence has historically played a very important role and whose advice and counsel with respect to the provisions of U.N. Resolution 435 and the sought-after independence of Namibia is invaluable to me.

And third, it focused on bilateral relationships. As you know, we have had historic and extensive bilateral relationships between the people of Portugal and the people of the United States, between our two governments. This involves cooperation in a host of political, economic, and security-related matters in this regard.

Of course, the United States has been keenly interested in the progress of the Portuguese Government since the turbulent days of 1974 and the creation of a democratic institution and a democratic process which remains the bedrock of our relationship.

During this visit I had an opportunity to extend, on behalf of President Reagan, an invitation for your head of state to visit the United States in the latter half of this coming year, and we would also, of course, welcome a similar visit from your Prime Minister, dates to be worked out in the not too distant future.

I want to emphasize once again the highly constructive and fruitful character of our very, very brief visit and they've underlined once again the friendship, the cooperation, and mutuality of interests that have been demonstrated by the Government of Portugal in a host of recent strategic situations—the Afghanistan crisis, the American hostage crisis in Iran, and the most recent situation where freedom is in jeopardy in Poland. And in that context, I leave here greatly encouraged and enthusiastic about the days ahead.

Q. Do you believe that Portugal must be associated to the solution of the Namibian question and if yes, how?

A. I think all member governments of the United Nations have a very keen interest in accordance with Resolution 435 involving the desirability and the necessity for the independence of



Portuguese Prime Minister Francisco Pinto Balsemão.

Namibia. As you know, the U.S. Government, working with a contact group [inaudible] does not include Portugal, have very special responsibilities. As you know, the United States has been leading an effort within the contact group to establish an early progress—to establish a schedule and a firm realization of the objectives of the U.N. Resolution 435.

In that regard we have repeatedly pointed out that there is an empirical relationship between the situation in Namibia and the continuing Cuban and Soviet presence in Angola. We continue to work on this problem, and we have made substantial progress in the last month. We are now dealing with a set of constitutional principles which we have run through the interested parties—the front-line states, the internal parties in Namibia, the South African Government, and the contact group—and I hope to have in the near future a finalization of that first effort. We will then turn to the other two aspects of the problem which involve the U.N. presence in Namibia and the final schedule for South African withdrawal.

Q. Considering that Spain is coming into NATO, how do you see as a major NATO partner the new strategic

role of the Iberian bloc, especially on the position of Portugal in the Atlantic islands?

A. As you know, I have been a great advocate myself in my past role as Supreme Allied Commander to be very active in the integration of the Portuguese forces, the Portuguese brigade, for example. The command relationships are, of course, a matter for NATO authorities and sometimes, to my regret, I am no longer a NATO authority. But as you know also, the alliance works on a consensus, and in that context consensus is equivalent to unanimity, so that whatever arrangements are ultimately worked out for the Iberian command structure, it would be with the complete approval and acceptance of the Government of Portugal.

Q. Can Portugal be a link between Washington and Luanda?

A. We have been in direct contact with Luanda. However, we very highly value the advice we receive from the Government of Portugal on the situation in all of southern Africa, including Angola.

Q. Are you going to meet Mr. Savimbi in Morocco?

A. No, I'm not.

Q. Can your visit here be seen as a support for the Portuguese Government as it is facing a popular discontent?

A. I specifically and very vigorously avoid any involvement in the internal affairs of the sovereign Government of Portugal. And anyone who would interpret my visit here as contributing in any way to the internal situation from one point of view or another would be guilty of not only misjudgment but probably mischievous misjudgment.

Q. What kind of new military facilities does the United States intend to get here in Portugal or in Portuguese territory. Do you intend to assure that the rapid deployment force would probably scale the Azores airbase without consulting previously with the Portuguese Government?

A. It would be inconceivable to me, and I'll answer your question, that any utilization of sovereign Portuguese territory could or would occur without the complete cooperation and coordination with the Portuguese Government. That would be inconceivable. It has not been done in the past and it would not be done in the future.

With respect to the rapid deployment force, there are no definitive plans at this time, but I think you know that

the employment of the rapid deployment force would be, as always, in the basic interests of fundamental Western concern, whether they be energy related or in more [inaudible] strategic concerns. And again, no utilization of sovereign territory of Portugal could nor would occur without the full agreement and support of the Portuguese Government.

Q. I would like to ask you a question about the State Department statement over the last 24 hours that there is some violence in northern Syria, and I wonder if you have any further information you can give us on that and whether you feel that might jeopardize the peace between Israel and the Arab nations.

A. With respect to the first part of your question, yes, there are reports of violence in northern Syria and I think that's been affirmed by the Department today.

Q. Any more details?

A. No, none that I would feel would be a constructive contribution to this press conference. With respect to the other part of your question, I frankly don't know and don't anticipate it would have an impact. Too early to say.

Q. Reports about one of your colleagues in the Cabinet being ready to—I don't have the exact words—ask Congress for F-16s for Jordan, for mobile surface-to-air missiles for Jordan. What is your position on that?

A. I only read what you read. I can assure you that the current visit of the Secretary of Defense to the Middle East is a visit which reflects in every respect prior coordination with me personally and with the Department of State. But I don't think that this is the venue to get into that issue.

Q. Do you foresee further steps of the Portuguese Government in supporting the American position against the Soviet Union in Poland? Did the Portuguese Government tell you they will take new measures in this important problem?

A. I would rather, than talk about new measures, suggest that convergence of views between the Government of Portugal and the Government of the United States on the Polish question is rather complete and thorough and identical. In the period ahead, we will be considering whatever steps are necessary in the light of whatever changes may or may not occur in the unsatisfactory situation in Poland.

Q. Could the relationships between Portugal and its ancient colonies have a great importance for the United States? What's the importance of the good relationships between Portugal and its ex-African colonies for the United States?

A. I wouldn't want to answer that question with specificity because it would suggest a point of view that I don't think we have explored in the depth that it requires and that you might have as a journalist. In general, it has always been the U.S. view that Portugal has had a great deal of historic experience in Africa and that that experience can make a major contribution to the democratic development of the nonaligned and new governments of Africa. I think that is a matter, of course, for the sovereign decision of the Government of Portugal and its relationships with the various governments of southern Africa. But in general, we are not only comfortable with increasing relationships, we see advantages to both developing states themselves and to the Portuguese people as well.

Q. Did you discuss the use of the Porto Santo Island to store nuclear arms—the U.S. possible wish to store nuclear arms on the Porto Santo Island?

A. First let me say as a matter of policy—and longstanding policy—American officials never discuss such sensitive issues involving nuclear weapons. But in order to set your minds at rest, let me assure you there were no discussions of any kind during my visit here in Lisbon that had to do with deployment, stationing, or positioning of nuclear weapons.

Q. Last night in your speech at the official dinner, you said that totalitarian pressure continues now in Portugal. What were you referring to?

A. I think again without casting any particular label, there are certain worldwide movements that are influenced and controlled extensively from Moscow. You have such a movement here in Portugal and, therefore, any party that takes instructions from outside the borders of the sovereign nation in which it's playing its role would be a matter of concern in that regard.

Q. Is that an internal question?

A. It's an internal question for Portugal, but it's an external question as far as East-West relations are concerned and the activities of the Soviet Union and its extension through the Marxist/Leninist party to the degree that

those parties are subservient under whatever concept you care to refer to—democratic centralism, Stalinist loyalty, or whatever.

Q. Are you any nearer U.S. recognition of Angola and has the importance your Administration attaches to UNITA [National Union for the Total Independence of Angola] been criticized by Portuguese leaders? Has the importance that the Reagan Administration attaches to UNITA been criticized by the present Portuguese Administration?

A. I don't know what importance you're referring to. We receive many, many visitors from many, many countries, and that does not suggest any particular value judgment one way or the other. I met recently with Felipe Gonzalez from Spain, a Socialist leader. I have met leaders from African splinter groups and African opposition groups; I have done that with Western European groups. We think it's a value to keep an open mind, to listen to all points of view, and I think that's part of the democratic process. It should not be interpreted as a subjective value judgment one way or the other but hopefully an educational experience which will refine the important judgments that governments must make.

With respect to any concerns here, no because they would not be justified. The United States does not have a relationship with UNITA or Mr. Savimbi. As a matter of fact, in terms of support, we are specifically prohibited from such activity under the provisions of the so-called Clark amendment.

Q. Are you any nearer U.S. recognition of the Angolan Government?

A. We are talking and dependent on their future actions, orientations, and independence of policy. We, of course, would welcome continuing improvement in our relationships.

**NEWS CONFERENCE,
MARRAKECH,
FEB. 12, 1982⁶**

I just have a few brief remarks to make to cover the essence of our visit here—all too brief visit—in Morocco.

This is my first visit to the Kingdom of Morocco, having had to cancel an earlier planned visit at the time of the Polish suppression in December. And as brief as this visit has been, it has given me the opportunity to meet at length

with His Majesty, King Hassan, with the Prime Minister and the Foreign Minister and their colleagues, and to conduct very fruitful and far-ranging discussions.

The main focus of the extensive discussion with His Majesty were, of course, strategic in character and were a reflection of the great experience and leadership that His Majesty has demonstrated over the years. He has been both a witness and a participant in global affairs and has been a very knowledgeable counselor to American leaders over many decades.

Of course, the primary focus of these discussions was the restoration of



Moroccan King Hassan II.

global and regional peace and stability. In this regard, His Majesty has a unique perspective and offered sage advice. He has been, as you know, an advocate of the achievement of a comprehensive and just peace in the Middle East, at the earliest possible date, and he has also been an advocate for a peaceful solution to the war in the Western Sahara through a peaceful process proposed by His Majesty and facilitated recently at the OAU [Organization of African Unity] Meeting.

An additional purpose of mine, of course, was to underline and reiterate President Reagan's support and friendship for His Majesty and the Government and people of Morocco.

U.S.-Morocco cooperation in the political, military, economic, educational, and cultural areas were discussed, and we signed, just a few moments ago, an agreement establishing a permanent binational commission for educational and cultural exchange.

Of course, a very specific focus was on the security threats to this region which are evident—only too evident—in the northern African region. In this regard, we agreed it would serve our mutual interests at this time to establish a joint military commission periodically to review our security cooperation. And I think our statement with respect to that is available to the press here this morning. We also discussed the potential availability of transit facilities for U.S. forces on sovereign Moroccan soil, and early discussions will commence with the possible realization of such objectives.

I want to emphasize that no decisions were made with respect to this question but that positive and affirmative communication was established with the objective of leading to the availability of such facilities.

We also reviewed His Majesty's plan to visit Washington the first half of this year before this coming summer. This visit is one which President Reagan very much looks forward to as an opportunity for a working, sleeves-up discussion of the strategic situation, globally and regionally. Finally, before turning it over to your questions, I want to express the appreciation of Mrs. Haig and myself and our party for the hospitality and warmth of our reception here, and nothing could contribute more to that than the beautiful setting in which this visit occurred here at Marrakech.

Q. Will your talks on the transit facilities perhaps involve the reactivation of some U.S. military bases which were closed over the years?

A. I think, as you know, there has been discussion on two specific possible facilities for American transit use. Nothing has been discounted; nothing has been specifically approved, but I think in the very near future detailed discussions will focus on these facilities.

Q. Did you discuss with the King the projected American military credits that would be available to his government in the next fiscal year, and could you give us some idea of what that might be?

A. There were, of course, broad discussions on future American plans in the security assistance area. I think it's too soon for me to pinpoint a specific level that is contemplated for FY 1983. I think the experience of FY 1982 was, from my point of view, somewhat disappointing. I wish we had been able to do better, and I hope we will be able to do better in FY 1983, and I would anticipate that will be the case. Because, as we look today at the African Conti-

U.S.-Moroccan Joint Military Commission Established

We have agreed that it would serve our mutual interests to establish a joint military commission which will meet periodically for consultations. The agreement to establish this commission stems from the growth in the U.S.-Moroccan military relationship to the point where a more formal structure is required to address security matters of mutual interest.

The establishment of this joint military commission is symbolic of the traditional and longstanding close friendship between Morocco and the United States. The first meeting is planned in the spring in Rabat.

This statement was made available to news correspondents by Secretary Haig in Marrakech on February 12, 1982. ■

ment, as we witness the activity of Libya—the high level of armaments that have been provided to the government by the Soviet Union, the appearance of these armaments in various destabilizing actions, together with funds and resources from the Libyan Government—it's been clearly a destabilizing offensive underway. And I think it's extremely important that the advocates of international peace and stability cooperate together more closely in the period ahead to deal with this destabilization.

Q. Can you tell us what you learned about the prospect for a settlement in the Western Sahara, and would those prospects be greatly complicated with Qadhafi expected to takeover as head of the OAU?

A. I think the distinguished Foreign Minister of Morocco had a brief press conference this morning in which he discussed the recently concluded OAU-sponsored conference. I think we are all encouraged by the fact that a framework was put together which broadens responsibility in the region specifically to include Mauritania, Algeria, as well as Morocco, in the direction of a cease-fire and referendum. I hope in the weeks ahead the framework and the time certainly will be established

to continue with this process and that in the interim all responsible participants will refrain from undertaking actions which would put the realization of the referendum and the maintenance of a cease-fire in jeopardy. In that regard, one cannot draw any encouragement whatsoever from the rejection by the POLISARIO [Popular Liberation Front for Rio de Oro and Saguia El Hamra] elements of the OAU proposals.

Q. How about the second part of the question on the role that Mr. Qadhafi might play in the settlement after he becomes head of the OAU? Will that complicate the situation or does there need to be a settlement before that time?

A. I wouldn't want to speculate about that. Clearly, the U.S. concerns about Mr. Qadhafi's activity for an extended period—his support of international terrorism, the level of armaments that have been introduced into Libya, the appearance of those armaments elsewhere in the region—are all matters of concern. There has been no indication in the recent past of any moderation in Mr. Qadhafi's activity. I would hope that his responsibilities within the OAU would offer a refreshing departure from his past activity.

Q. Could I just go back to the discussion on the transit rights for American forces and the press release that is coming out on this joint commission. Mr. Weinberger [U.S. Secretary of Defense] recently, I think, reached agreement on a joint commission with the Saudi Arabians on a similar trip. Is there a broad Administration effort to get this kind of joint commission or closer ties with friendly countries in the region now going on? Is this part of a larger effort?

A. I think you will recall my first trip to the region last spring when we talked about the desirability of greater cooperation and the development of a commonality of view to the dangers from external sources to stability of the region and externally directed internal threats to the security of the region. I think I recall at the time and in the period since a great deal of skepticism about this from some of your colleagues in the press. That does not make it any less desirable, and what you are witnessing is further steps in that direction.

I would emphasize again as I did at the outset of our discussion about this objective, that this in no way runs counter to our continuing efforts in the

direction of achieving a comprehensive settlement of longstanding Arab-Israeli disputes. As a matter of fact, I have always described these as mutually reinforcing objectives. And when progress is achieved in one area, it contributes to progress in the other. Just as when a setback occurs in one area, it makes the achievement of progress in the other more difficult.

Q. You gave us an opening by mentioning the Polish crisis as part of your opening remarks. Before you leave for Romania, would you tell us the significance of a visit to Romania at the time when the Polish crisis continues?

A. I think it's very important that we maintain contact and communication with Eastern Europe and perhaps even more so during this troubled and worrisome period. I am responding to a very, you might say, evident request from President Ceausescu to make this stop-off, and I am, of course, looking forward to an exchange of views with him. We have maintained such an exchange of views over an extended period and I recall my discussions with Romanian officials at the time of the normalization process with the People's Republic of China. I think we will get some valuable insight as a result of this visit.

NEWS CONFERENCE, BUCHAREST, FEB. 13, 1982⁷

We have just concluded some 4½ hours of discussion with President Ceausescu and Foreign Minister Andrei, to include a working lunch which I held with the Foreign Minister and his colleagues from the foreign office. I would describe these discussions as cordial, and with the same degree of frankness that has characterized discussions between our two governments for over a decade.

I did have an opportunity to deliver a letter from President Reagan to President Ceausescu which was a response from the President to an earlier piece of correspondence from the Romanian President and which dealt with the current situation in Poland.

During our discussions this morning and this afternoon we focused on inter-European questions, including the Polish question, broader East-West matters with a very clear focus on disarmament, both the discussions under way on the INF [intermediate-range nuclear forces]

in Geneva and the strategic arms discussions as well. We discussed the current conference in Madrid—the CSCE conference—Latin America, the Middle East, southern Africa, and a broad range of mutual bilateral questions involving political, economic, cultural, scientific, technological exchanges between our two countries.

There were some differences on the Polish question as they pertained to sanctions against the Polish Government, but a general convergence of view on the need for normalization—immediate normalization—of the situation in Poland to include lifting of martial law and the elimination of the state of siege.

This visit to Romania, as you know, has been a response to a longstanding invitation to visit Bucharest first extended to me by Foreign Minister Andrei on behalf of President Ceausescu when the Foreign Minister visited Washington in May of last year. President Ceausescu's invitation had been reiterated several times since then and most recently about 3 weeks ago.



Romanian President Nicolae Ceausescu.

It is President Reagan's view that at a time of increased East-West tension, it is particularly important to talk with those East European countries which are open to such talks, and Romania certainly must be included among those nations to seek ways together to reduce tension and to continue to seek constructive relationships on the basis of respect and mutual benefit. Romania has, for years, pursued a relatively independent foreign policy. On many issues, in fact, our foreign policy objectives are quite similar. On the commercial level we have

had increased two-way trade from barely \$300 million in 1973 to over \$1 billion annually in just the short period of over 7 years.

Within the context of generally good relations that I have just described, we have been able to discuss with Romania human rights, emigration, and family reunion cases. There has been progress in some individual cases; nonetheless, some problems continue. But I believe that our visit here will help to alleviate those remaining problems. I think the hallmark of mature relations between countries is not the absence of problems which do exist. That has been and will continue to be the nature of our relationship with Romania. We demonstrated by this visit that we are prepared to continue our constructive relationship with the Government and the people of Romania.

Romania's policy on issues ranging from arms control to the Middle East, the foreign economic policies and attitudes toward national independence are both longstanding and well known and were discussed in detail with President Ceausescu today.

In sum, Romania is a nation which, ever mindful of its geography, has courageously sought to assert its independence and full sovereignty. We welcome that. We have constructed with the Romanians a network of political, commercial, cultural, and scientific ties which have operated to our mutual benefit. And this is a relationship which should continue to broaden and deepen in the days and months ahead.

Q. From my notes you said that there were some differences on the Polish question as to sanctions. But you didn't say anything about the sanctions that the United States has imposed on the Soviet Union. Did that matter come up for discussion today, and what was the attitude of the Romanian Government on that?

A. I think President Ceausescu made it very clear that he felt sanctions against the Polish Government might be counterproductive in this environment. He raised no concerns about sanctions with respect to the Soviet Union, and it was not discussed in the very terms that the Polish question was.

Q. Did the Romanians ask for any help—economic help—to cover their short-term situation?

A. As you know, like so many of our industrialized nations, and even more importantly our developing nations in the Third World, the current

economic climate worldwide has had a severe impact. There are a number of contributors to that—high energy costs, the impact of high American interest rates with the dollar such a heavily-employed currency, declining productivity, increasing levels of unemployment, and they're high here in Romania today as they are in our own country and throughout Western Europe. This all has caused a problem here in Romania in terms of their fluidity and the need for cash assets to keep economic growth moving in a positive direction. There are longstanding requests in that regard to the IMF [International Monetary Fund] and World Bank, and these questions were discussed at great length and great detail, with a view toward finding near term solutions.

Q. Did the Romanian President raise concerns about the status of East-West relations; in other words, did he feel that the sanctions and the refusal to start the strategic arms talks were hurting the atmosphere and urge you to drop the sanctions and begin the talks, and if so, what was your response on what we were doing?

A. I don't like to go into too much detail on discussions that were held in a mutually, confidential atmosphere. I think President Ceausescu has been a longstanding advocate of progress in arms control, as has President Reagan. I would not suggest that our discussions this morning focused on the contradiction imposed by the Polish question and our longstanding tensions in the arms control area.

I would say that the concerns here involve the impact that sanctions against the Polish Government can have toward the rapid normalization of the situation in Poland. And that was the focus of the concerns that were expressed. On the other hand, we had rather far-ranging discussions on the question of the maintenance of normal relations among those states in the East and worldwide; indeed, that may belong to the Socialist system, which conducts independent and sovereign policy, and I think we had a meeting of the minds on that subject.

Q. Given the fact that the Romanian President feels sanctions are counterproductive, and we know the U.S. decision on that, does that amount to a stalemate, insofar as the U.S.-Romanian position vis-a-vis Poland?

A. No not at all. As I've pointed out, I think that both President Reagan, as I know his position to be, and Presi-



Romanian Foreign Minister Stefan Andrei.

dent Ceausescu believe that it is vitally important that a normal condition be established in Poland, that martial law be lifted, that is whether or not economic or materiel sanctions against Poland, as distinct from the longstanding American and Western policy to continue humanitarian assistance to the Polish people, where we are assured that that assistance gets to the people, and is not utilized by repressive government action or to re-enforce further repression. So there is just a minor difference here, and I would describe it in terms of this tactical question, with the Polish side believing that it would be useful to help Poland in this crisis.

Q. Did President Ceausescu hear of the American view that ultimately it was the Soviets who were responsible for the imposition of martial law?

A. I must say that we did not discuss that question in the context in which it was asked.

Q. Can anybody else know the contents of that letter from President Reagan to President Ceausescu?

A. The nature—and there again I don't think that it's appropriate for me to publicly air communications between two heads of state, but clearly I've talked about where our differences are on the sanction question.

Q. Did President Ceausescu express any concern about a disruption or possible discontinuation of the CSCE process?

A. Yes, we had a very good exchange on that subject. I think we have a convergence in our broad objectives there, and that is the desirability of maintaining confidence in and continued progress on the implementation of the Final Act.

As you know, it is our view that that continuation will require very clear clarifications on the human rights violations that are occurring in Poland today and that have thus far remained unanswered by the Soviet Union and the Polish participants in the conference. I would think I would interpret President Ceausescu's view as one that we should, nevertheless, persevere and seek a meaningful outcome of those current talks. And these again are tactical differences which underline the concerns of both the Romanian and the U.S. Government that the Helsinki process should be preserved and protected. It is the American view that it's in jeopardy in this current climate while these fundamental violations of the obligations of the Final Act of Helsinki are underway in Poland today, and that there has to be some reckoning on these questions.

Q. Was the question of Soviet involvement in the situation in Poland brought up at all in these discussions?

A. It was a one-sided discussion in which I laid out very clearly the facts that the United States holds on Soviet involvement.

Q. How would you appreciate the role that the United Nations can have and must have in primarily the matter of disarmament, the reduction of tensions, the solving of differences among states, and obviously, for the promotion of free economic cooperation?

A. I suppose the past record of the United Nations in that regard is a mixed bag, replete with limited successes and many failures. That is not to suggest that the U.N. role has not been of incalculable value in a host of other areas of international cooperation not the least of which is the convening of the representatives of the member governments each year repeatedly to discuss and address and to exchange views on such questions. I would hope as an individual to see past inadequacies and the failures to be able to deal with the more profound questions you asked somehow strengthened the resolve within the United Nations. Thus far, they haven't done too well, as you know, but that is not to be taken as necessarily a criticism but a revelation of fact.

Q. Does President Ceausescu also condemn the martial law imposition in Poland in the first instance like the United States does?

A. I can't speak for him on that, and I prefer to let him speak for himself on that. That's a rather finely honed

question. I think he would see greater justification than perhaps we would see from the U.S. point of view.

Q. Did you discuss the possibility of a direct or indirect participation of the European countries to the negotiations in Geneva?

A. No, we did not.

Q. From your discussions with President Ceausescu, how far did he go in agreeing with you that there should be a return to dialogue on Poland among the church, Solidarity, and the government?

A. I think there are different views on how one would describe, would outline the best ways to return to normalcy and what we call a reconstruction in the Polish scene. I think basically all recognize that there are elements in Poland that have to have a voice within their proper sphere of responsibility. And I'd say in general there was a convergence there. Conditionality in specific terms would probably not be enthusiastically supported here in Romania.

Q. Did President Ceausescu raise the question of a European disarmament conference, and if so, what is the American reaction to such a proposal?

A. Yes, we discussed that, as, of course, the current focus of attention before the Polish situation, there was the Madrid conference itself. I think both governments recognize that a great deal of progress has been made in Madrid on the area of confidence-building measures under the original French proposal of a zone extended from the Atlantic to the Urals and the need to develop mutual confidence-building arrangements for that zone. But from my point of view, I emphasized that business as usual—a continuation of business as usual—on these talks would make a mockery of the fundamental obligations of the Helsinki accords themselves, through which all signatory governments committed themselves in the basic principles of the Final Act to a host of obligations which are clearly being violated today by both the Polish Government and the Soviet Union in Poland.

Q. Does the President feel that the sanctions by the United States against Poland and not the Soviet Union would harm the dialogue that Washington wants with this government?

A. No, I don't think so. I think that there was no inference of that kind in discussions that were held today which, on the bilateral side, of course, focused on the continuing need for cooperation and the question of credits and trade and the cultural-scientific exchanges and the like.

Q. Did you by any chance suggest that the U.S. Administration would like to see the most-favored-nation clause extended over a period of—

A. This did not come up in the discussions. I was prepared to discuss them, and as you know, we have certain legislative requirements in the United States, which means that we do have to annually review these questions. As a matter of principle, we would not have any concern about a multiyear approach, but we do have our internal regulations.

Q. In 1968, after the Soviet invasion of Czechoslovakia, there was a great deal of apprehension and fear about the possibility of the Russians coming here. Did you sense any continuing apprehension that that sort of thing might happen?

A. No.

Q. Did you get any impressions from President Ceausescu that any worsening of tensions between East and West might cause a general Soviet clampdown and try to assert its authority throughout the Warsaw Pact nations?

A. I think any responsible leader near the East or West today is concerned about a host of repercussions from continuing repression in Poland. And I would suggest that they include a whole range of possible consequences which would further add to international tensions. I wouldn't discount the one you raised, but I do not want to suggest that it was raised, specifically by our Romanian hosts while we were here.

Q. I would like to return to the Romanian economic problem. Was there any specific agreement reached on any way in which the United States could help Romania regain full capacity, do you think?

A. We've had an on-going dialogue on this question, and I think our visit today helped to clarify a number of issues related to it—IMF, the area of CCC [Commodity Credit Corporation] credits, and a host of related trade issues. I wouldn't say that any magic light was turned on that is going to suggest that

all of these difficult problems will be instantaneously solved, but I do think we have improved the climate for finding solutions to these problems, especially the most urgent and immediate ones of them.

¹Press releases pertaining to this trip which are not printed here are Nos. 60 of Feb. 17, 1982, 61 of Feb. 19, 63 of Feb. 19, and 65 of Feb. 18.

²Press release 52.

³Press release 54 of Feb. 16.

⁴Press release 59 of Feb. 16.

⁵Press release 62 of Feb. 19.

⁶Press release 66 of Feb. 19.

⁷Press release 69 of Feb. 17. ■

INF Negotiations

PRESIDENT'S STATEMENT, FEB. 4, 1982¹

On November 18, I announced a broad program for peace. In that address, I stated that the delegation that was about to depart for Geneva for negotiations with the Soviet Union on intermediate-range nuclear forces (INF) would carry with it the U.S. proposal, according to which the United States would forego the planned deployment of Pershing II and intermediate-range ground-launched cruise missiles if the Soviet Union dismantled its SS-4, SS-5, and SS-20 missiles.

On Tuesday, February 2, at Geneva, the United States submitted to the Soviet Union a draft treaty, embodying that proposal in order to move the negotiations forward as rapidly as possible. Such a treaty would be a major contribution to security, stability, and peace.

I call on President Brezhnev to join us in this important first step to reduce the nuclear shadow that hangs over the peoples of the world.

¹Text from Weekly Compilation of Presidential Documents of Feb. 8, 1982. ■

U.S.-Canada Transboundary Air Pollution Negotiations

by *Thomas M.T. Niles*

Statement before the Subcommittee on Arms Control, Oceans, International Operations, and Environment of the Senate Foreign Relations Committee on February 10, 1982. Mr. Niles is Deputy Assistant Secretary for European Affairs.¹

Today I would like to present to you a status report on our negotiations with Canada on transboundary air pollution, a highly sensitive issue in our relations with our close friend and ally to the north. Let me preface my report with a brief discussion of the general state of U.S.-Canada relations.

U.S. Ties With Canada

As you know, the ties between the United States and Canada extend across a broad range of cooperative activities—in political, economic, cultural, commercial, and defense relations. Our relationship with Canada is broader than that with any other foreign country. The two governments work closely together and consult regularly on bilateral and international issues. As long time friends and allies, we share the same goals. In his first year in office, President Reagan met five times with Canadian Prime Minister Trudeau, confirmation of Canada's important place in American foreign policy and of the President's personal interest in the U.S.-Canadian relationship.

The United States and Canada are close allies in NATO and partners in the defense of North America. The North American Aerospace Defense Command (NORAD), a joint command with a U.S. commander and a Canadian deputy commander, provides for aerospace surveillance, warning of possible attack by missiles or bombers, and air defense. The two governments are assisted in managing the broad range of U.S.-Canada defense relations by the Permanent Joint Board on Defense established in 1940.

U.S.-Canada bilateral trade and investment is, far and away, the largest with any foreign country. Two-way trade in 1981 was in the range of \$83 billion; at the end of 1980, U.S. invest-

ment in Canada and Canada's investment in the United States totaled \$54 billion.

Energy is an important area of bilateral cooperation, and the United States and Canada have been working to resolve problems arising in the United States from Canada's national energy program. An important step ahead in the energy area was the Congress' action last fall approving the President's proposal to remove roadblocks to private financing of the Alaska natural gas pipeline. We hope it will now be possible for the financial community to arrange for the financing of this vast project, which would benefit both countries.

Fisheries is another sector important to both countries, and here, too, we are encouraged by an important recent development. The dispute arising from our overlapping boundary claims off the east coast, covering the rich Georges Bank, has been submitted to the International Court of Justice in The Hague for binding adjudication. Last month the Court constituted a special chamber to hear the case. The Court's decision will go a long way toward resolving our longstanding problems involving fisheries in this area.

Environmental issues are of great importance in the U.S.-Canadian relationship. The U.S.-Canada International Joint Commission has worked since 1909 on transboundary problems and it continues to monitor and assist in the solution of bilateral pollution issues. The United States and Canada have accomplished a great deal in cleaning up water pollution under the Great Lakes Water Quality Agreements. Today the question of transboundary air pollution is of particular importance to both countries. We approach this problem with an acute awareness of the high level of concern in Canada about acid rain and acidification of lakes, rivers, and streams. We know that many areas in the United States have similar concerns and, indeed, that the original impetus for a bilateral approach on this issue came from the Congress.

Negotiations on Acid Rain

In the fall of 1978, the Congress adopted a resolution calling upon the President "to make every effort to negotiate a cooperative agreement with the Government of Canada aimed at preserving our mutual airshed to protect and enhance air resources and insure the attainment and maintenance of air quality protective of public health and welfare." As a result of that resolution, informal bilateral discussions with Canada on air pollution were begun in 1978. Also in 1978, we organized with Canada the bilateral research consultative group. The group, composed of U.S. and Canadian scientists, carried out preliminary surveys of research on transboundary air pollution and completed useful reports on long-range transport of air pollutants in 1979 and 1980.

Discussions with Canada continued in 1979. In July of that year the United States and Canada issued a joint statement on transboundary air quality, recognizing that both countries contribute to transboundary air pollution and announcing the intention to develop a cooperative agreement on air quality.

As the result of further discussions, the United States and Canada signed a memorandum of intent in August 1980, agreeing on procedures to be followed in preparing for and negotiating an agreement on transboundary air pollution.

The memorandum provided for the creation of a U.S.-Canada coordinating committee and under it five joint work groups composed of U.S. and Canadian Government representatives from scientific, technical, and legal disciplines. The U.S. membership of about 50 is drawn from eight different Federal agencies. The Canadian membership is comparable. The objective of the U.S.-Canada work groups has been to develop as much mutual understanding of the causes and effects of transboundary air pollution as possible. The groups have been hard at work for more than a year now. Their reports are to be ready at the end of March. They will be subjected to peer review and will serve as a technical basis for use in the negotiations.

U.S. Commitment

During his first visit to Canada in March of last year, the President confirmed our commitment to open negotiations on transboundary air pollution, as called for in the memorandum of intent. The

President noted U.S. support for the ongoing cooperative scientific work to better understand the problem. He also indicated the expectation that the negotiations could be lengthy.

Our interest in an agreement with Canada stems from the fact that the only sensible approach to the problem is a cooperative one with our northern neighbor, as the Congress has recognized. In addition, we want Canada to adopt the stricter air pollution control regulation now in effect in the United States. At present, the Canadian Federal Government is generally able only to recommend pollution regulation to the provinces, which have final authority to implement environmental programs. We would like to see improved emissions

JOINT STATEMENT, FEB. 24, 1982

Representatives of the Governments of the United States and Canada met in Washington on February 24, 1982, to continue negotiations on transboundary air pollution. The U.S. delegation was led by Thomas M. T. Niles, Deputy Assistant Secretary of State for European Affairs. Edward G. Lee, Assistant Under Secretary for U.S.A. Affairs for the Department of External Affairs, led the Canadian delegation.

The negotiations are taking place under the 1980 U.S.-Canada memorandum of intent on transboundary air pollution. Formal discussions began in June 1981. This was the third negotiating session.

The Canadian delegation tabled a draft text of an agreement. The discussion also included an exchange of views on proposed general principles sections presented by both delegations. Other subjects covered included the state of scientific knowledge and control actions taken by both countries.

Progress reports were presented by the chairman of the U.S.-Canada work groups, which have been assembling an agreed basis of understanding on the transboundary air pollution problem. The work group chairmen confirmed their intention to meet the March 31 deadline for completion of the phase III reports.

The U.S. and Canadian negotiators agreed that the meeting had been useful and agreed to meet again at an early date.

Press release 77. ■

control technology applied to Canadian smelters and major power plants. For instance, there are more than 100 SO₂ "scrubbers" now in operation at power plants in the United States or in final stages of construction. There are no scrubbers on power plants in Canada. Further, U.S. standards for control of automobile emissions are three times stricter than Canadian standards. We believe that achieving an equivalent level of pollution control in the two countries should be our mutual objective.

Because of the importance of the issue with Canada and its complexity, we believe transboundary air pollution can best be addressed in bilateral negotiations, whether we work toward a treaty or an executive agreement. This is a common problem; we believe it requires a joint solution. We would foresee difficulties in concluding an agreement with Canada if either country, or both, were inclined to act unilaterally now.

We held our first two formal negotiating sessions with Canada in June and in November 1981. These meetings were devoted in part to review of the progress of the work groups and to developing further guidance for their work. We have also exchanged a series of technical papers and have begun discussions on the nature of an eventual agreement. At our next session, planned for February 24, we expect to begin discussion of the agreement text. I believe the negotiations are going well. We intend to push ahead as fast as the degree of our scientific understanding of the problem will allow.

Further Research Required

Canada has made clear it believes the two countries should enter into an interim program to control transboundary air pollution. On the U.S. side, we think it premature to embark upon expensive new control programs now given the uncertainty of the scientific data currently available. It is generally recognized in both countries that we do not adequately understand the atmospheric chemistry which transforms emissions into acid deposition. There are other significant uncertainties in critical areas of air pollution, including the interactive role of photochemical pollutants, the source-receptor relationships, and the effects of weather and seasonal factors. Importantly, we do not know whether further control actions would produce the desired environmental results.

In the United States, at the request of the President, we began last year to undertake an expanded and accelerated research program to address the key areas of uncertainty on acid rain. The United States will spend over \$18 million on comprehensive research in FY 1982, exploring virtually every aspect of the issue. In FY 1983 the figure will be \$22.3 million, more than a 20% increase in funding.

The United States believes prudence and realism demand a firm foundation of understanding upon which best to determine what measures would be necessary and effective in controlling transboundary air pollution. This is particularly true in view of the enormous cost of existing technical approaches to controls.

In closing, I would like to emphasize again that transboundary air pollution is very much a common problem that will require joint U.S.-Canadian efforts. We look forward to bringing these negotiations to a successful conclusion. We recognize that there may be no cheap, easy solutions to transboundary air pollution problems. We intend to continue to give this important issue the careful and serious attention it deserves, in the context of our close, friendly relations with Canada.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Japan and the United States: A Cooperative Relationship

by John H. Holdridge

Statement before the Subcommittee on Asian and Pacific Affairs of the Committee on Foreign Affairs on March 1, 1982. Ambassador Holdridge is Assistant Secretary for East Asian and Pacific Affairs.¹

Evolution of U.S.-Japan Relations

Changes in U.S.-Japan relations in recent years have not been as dramatic or distinct as when we moved from one earlier postwar stage in our relationship to another. It was easy to draw a demarcation line, for example, between the occupation and post-peace treaty era, when Japan regained the attributes of sovereignty; or between the early years after the Korean war, still marked by heavy dependence upon the United States and an unequal security treaty and the 1960s, marked by the breaking-in period of the new Treaty of Mutual Cooperation and Security and the dramatic resurgence of the Japanese economy. What we have seen over the past decade is a broadening and deepening of our relations characterized by a growing spirit of equal partnership. Changes may not be clearly discernible in the short term but are, nonetheless, marked when we look back at the situation 5 or 6 years ago.

Perhaps Japan's most significant shift of the past decade has been from the status of a regional power to identification as a leading member of the advanced industrialized democracies. Japan has collaborated with us and West European nations in the OECD [Organization for Economic Cooperation and Development] at the annual summit meetings and at major issue-oriented international gatherings. Both our countries are aware of the tremendous influence we assert jointly as the free world's two largest industrial powers, and we are aware of and sustained by the hypothetical prospect we both wish to avoid—an Asia in which we were working at cross-purposes.

As we have moved toward what was termed, at one recent bilateral summit meeting, a "productive partnership," the legacy of the patron-client relationship that characterized much of the postwar

period has largely faded away. We are now approaching an equilibrium in our dealings with one another. As Japan's economic strength has grown and its political horizons have broadened, we find our mutual interests transcending the traditional focus of Asia to embrace other regions, including the Middle East Southwest Asia, Africa, Latin America, and most recently Poland. An extraordinary degree of consensus pervades our diplomatic effort around the globe.

Basis for Cooperation

What has made this collaboration possible? First, the geopolitical reality that our interests as Pacific powers overlap in that unique part of the world where the Soviet Union, China, and our own territory are in juxtaposition. From the Japanese perspective, the United States has been and remains the dominant power in Asia. The U.S.-Japan security treaty has insured Japan a stable environment which contributed both to the recovery of its economy and to the establishment of cooperative relations with other nations of the region. From the U.S. perspective, the security relationship, by solidly linking us to the strongest economy and potentially the most substantial military power in Asia, provides us with synergistic reinforcement of our diplomatic effort. Moreover, the assurance that Japan will not seek a nuclear or offensive conventional military capability makes it possible to work in partnership without raising tension or undue concern on the part of our other friends in Asia.

We are further sustained in our partnership through our economic interdependence. Trade between our two nations has grown from \$2.5 billion in 1960 to a little less than \$11 billion in 1970, to close to \$60 billion in 1981. The United States is Japan's major export market, accounting for 25.4% of its global exports and 17.6% of its global imports. For the United States, Japan is our second largest country market after Canada.

Perhaps the most important bond of all between our two countries is that which we sometimes take for granted: our dedication to essentially the same democratic forms of government, honor-

ing the same basic freedoms and individual rights. Democratic values of universal political participation, freedom of expression and association, and the guarantee of fundamental human rights did not develop strong roots in Japanese society prior to the end of World War II. They have now flourished beyond the most optimistic expectations. Japan's sharing of common political values has been a major factor in engendering Japanese association, in spite of geography, with the West.

Finally, against this backdrop of interlocking security, economic, and political interests, the United States and Japan have increasingly found benefit in scientific, technological, and cultural interchange. And, as in most other aspects of our relationship, these exchanges have gradually shifted from one-way to two-way traffic.

Mutual Benefits

Some of the benefits of U.S.-Japan relations are more quantifiable than others. Economic benefits to both countries are enormous in terms of jobs, standards of living, and common dedication to a free market economy with attendant benefits to consumers. Unfortunately, as we compete in the same economic sectors, we find ourselves confronted with trade frictions, the solution to which is difficult at best, more so when faced with sluggish economic growth.

A major tangible benefit to the United States is our ability to maintain forces and bases in Japan, the mission of which is not just the defense of Japan proper but support for the projection of U.S. power in contingencies elsewhere in Asia. It would be virtually impossible to find adequate substitutes in the region or alternatively to deploy directly from U.S. territory without incurring enormous additional costs. Moreover, the expense of maintaining our force posture in Japan is increasingly offset by Japanese contributions, now totaling about \$1 billion a year.

The consequences of a major deterioration in our relations with Japan are as obvious as they would be serious. It could lead to a rivalry entailing wasted resources on both our parts as we denied ourselves the economic benefits of free trade or the rational use of limited security resources. Beyond the deleterious effect on our bilateral relationship, we could expect destabilizing effects on the region as a whole and could find ourselves deprived of a supportive partner in global forums.

Special Asia Dimension

The U.S.-Japan relationship has unique significance in Asia, where despite a nuanced difference or two, both countries see eye-to-eye in regard to most of the region's major issues. Our cooperation has provided stability for the region in which free developing countries can pursue their national aspirations. Our respective involvement in the economic development of Southeast Asia, and Korea, has been mutually supporting and can be credited with the success stories of those areas. Both Japan and the United States support forces of moderation and peaceful development in China. Our security treaty, together with other treaty obligations in Asia, serves to give the region confidence. On the one hand, the free nations of Asia feel reassured by the support of the two Pacific powers with the greatest economic and political influence. On the other, in instances of substantial Japanese and U.S. involvement, Asian nations need not fear regional domination by one or the other. Moreover, our

involvement in the region has developed at a time when like-minded European countries show no inclination to revive their radically decreased interest in the region. In short, as we have developed our orientation as a Pacific power, it has become increasingly clear that our relationship with Japan is the bedrock for our Asian policy and, by extension, an indispensable element in our global diplomacy. It is both symbolic and illustrative that our trade with Japan has reached about the same level as our trade with Western Europe.

Problem Areas

While it is indeed extraordinary that two nations so very different in traditions, language, and culture have found so much common ground, our partnership is not without strains. These derive in large part from Japan's success, however, and are not the product of malicious rivalry.

Until recently, strains in our security relationship were felt primarily on

Japan—A Profile

People

Population (1980): 117 million. **Annual growth rate:** 0.8%. **Ethnic groups:** 0.6% Korean. **Religions:** Shintoism and Buddhism; 0.8% Christian. **Language:** Japanese. **Literacy:** 99%. **Life expectancy:** males 73 yrs., females 78 yrs.

Geography

Area: 381,945 sq. km. (147,470 sq. mi.); slightly smaller than California. **Cities:** *Capital*—Tokyo (pop. 11,372 million). *Other cities*—Yokohama (2.67 million), Osaka (2,658 million), Nagoya (2 million), Kyoto (1.4 million). **Terrain:** Rugged, mountainous islands. **Climate:** Varies from subtropical to temperate.

Government

Type: Parliamentary democracy. **Date of Constitution:** May 3, 1947.

Branches: *Executive*—Prime Minister (Head of Government). *Legislative*—bicameral Diet (House of Representatives and House of Councillors). *Judicial*—Civil law system with Anglo-American influence.

Subdivisions: 47 prefectures.

Political parties: Liberal Democratic Party (LDP), Japan Socialist Party (JSP), Democratic Socialist Party (DSP), Komeito (Clean Government Party), Japan Communist Party (JCP). **Suffrage:** Universal over 20.

Flag: Red sun on white field.

Economy

GNP (1981): \$1.7 trillion. **Real growth rate:** 3.1% 1980, 6.1% 1969-79. **Per capita GNP (1981):** \$8,870.

Natural resources: Negligible mineral resources, fish.

Agricultural products: Rice, vegetables, fruits, milk, meat, natural silk.

Industrial products: Machinery and equipment, metals and metal products, textiles, autos, chemicals, electrical and electronic equipment.

Trade (1980): *Exports*—\$129.8 billion: machinery and equipment, metals and metal products, textiles. *Partners*—US 24%, EC 9.6%, Southeast Asia 20.9%, Communist countries 6%. *Imports*—\$140.5 billion: fossil fuels, metal ore, raw materials, foodstuffs, machinery and equipment. *Partners*—US 18%, EC 5.6%, Southeast Asia 20.7%, Communist countries 5%.

Official exchange rate (Feb. 1980 floating): Approx. 230 yen = US\$1.

Total official development assistance: \$3.6 billion (budget 1980 = 0.32% of GNP).

Membership in international organizations: UN and its specialized agencies, International Court of Justice (ICJ), International Monetary Fund (IMF), General Agreement on Tariffs and Trade (GATT), Organization for Economic Cooperation and Development (OECD), International Energy Agency (IEA), International Labor Organization (ILO), INTELSAT. ■

the Japanese side, where there was lingering resentment over our base rights and the seemingly *de facto* continuation of the occupation in a nation that had never before had foreign troops on its soil. However, the antibase movement in Japan lost much of its force after the reversion of Okinawa, the rapprochement between the United States and China, the end of U.S. involvement in Vietnam, and the progressive consolidation of U.S. military facilities. While incidents occur from time to time, we are no longer plagued by the daily frictions one might expect in a crowded country hosting a large foreign military presence. In the past few years, there has been an increase in public support for a continuing U.S. military presence in Japan as the growth of Soviet military strength in the region and persistent tension on the Korean Peninsula have awakened the Japanese public to the importance of a credible security tie with the United States.

On the other hand, as Japanese acceptance of this security relationship has grown, resentment from some sectors in the United States over Japan's apparent failure to share an equitable burden in the defense area has created a new source of tension.

The other major source of friction between Japan and the United States lies in the trade area. While Japan is our largest agricultural market and a major buyer of such goods as wood and wood products, machinery, coal, and aircraft in the years since the war, our trading relationship has changed fundamentally. Through the 1960s, the United States, shipped a wide range of products to Japan, but Japan generally shipped only low-quality labor intensive items to the United States, resulting in large U.S. trade surpluses. In the 1970s, Japan became an efficient producer of capital and technology-intensive goods. Japanese products competed with ours in Japan, in the U.S. domestic market, and in third countries, thereby establishing a trade surplus with us. In a sense, this can be regarded as a success story reflecting the positive outcome of U.S. policy objectives in the immediate postwar period.

The movement of Japanese industry into industrial areas, long-considered our preserve has, however, caused a substantial increase in economic friction. An additional complication is that while this friction in the 1970s was generally limited to one or two products at a time and thus could be addressed relatively easily, the current trade problem in-

volves the basic nature of the Japanese economic system. The perception is prevalent that Japan, as the second largest economic power in the free world, is unwilling to carry its share of the burden of supporting the free-trade system; that Japan may have a good record for adherence to international trade agreements but has not yet discarded many of its internal arrangements that inhibit imports. The problem is as much attitudinal as a question of formal restrictions. Allowing for shortcomings on the part of American industry, the situation has resulted in one of the most serious challenges to U.S.-Japan relations in the postwar period, largely, because solutions to such fundamental problems cannot be easily or quickly found.

Other current bilateral issues include civil aviation, negotiation of a new fisheries agreement, issues related to nuclear cooperation, and others. This is the expected pattern of a partnership as extensive as that between Japan and the United States. We have faced similar issues in the past, and I have every confidence that with good will we can work out differences even when the going gets rough.

U.S. Policy Objectives

Trade. The United States wishes to expand two-way trade and investment with Japan while correcting what we regard as inequalities in our economic relationship. We do not seek a precise or even approximate balance in our trade, recognizing that we live in a multilateral trading system. As the imbalance between Japan and the United States has grown to record proportions, however, we have become increasingly concerned that there is not yet sufficient awareness in all parts of the Japanese public and private sectors that their domestic markets are simply not as open to foreign competitors as the vast American market is open to imports from abroad. We do not ask for favored treatment. Where questions of price and quality are involved, it is incumbent upon us to make the grade, and we do not seek to penalize Japanese productivity through restrictive measures. But where we are competitive, we want market access free of artificial encumbrances, whether it be a government regulation of protectionist inspiration or informal arrangements that serve the same purpose.

Japan shares our basic interest in a growing economy with low unemployment and low inflation. Unlike the United States with a balanced mix of raw material and manufactured exports, Japan, as a resource-poor country, must export manufactured goods to pay for the raw materials it needs. As a result, it puts primary emphasis on the maintenance of efficient export industries, even at the cost of domestic consumption. While this makes Japan a strong supporter of the principles of a free-trading system, in the postwar period, it has looked to the United States to act as the principal defender of that system. Japan would be dismayed at any evidence that we now seemed to be abandoning this role but, at the same time, has been slow to accept responsibility itself for helping to maintain the system. In particular, it has been unwilling to bear the domestic political cost of opening its markets until or unless it has been subject to intense pressure from the outside. The strong rural roots of the government party, for example, have impeded the government from taking preemptive steps to avert foreign pressure further to open agricultural markets.

We have sought to encourage attitudinal changes in Japan that will facilitate market access through intensive dialogue and representations, including established mechanisms such as the Trade Facilitation Committee, the Trade Study Group, and the Trade Subcommittee of the Subcabinet Economic Committee. Congressional meetings with Japanese leaders are also regarded as an important part of this process.

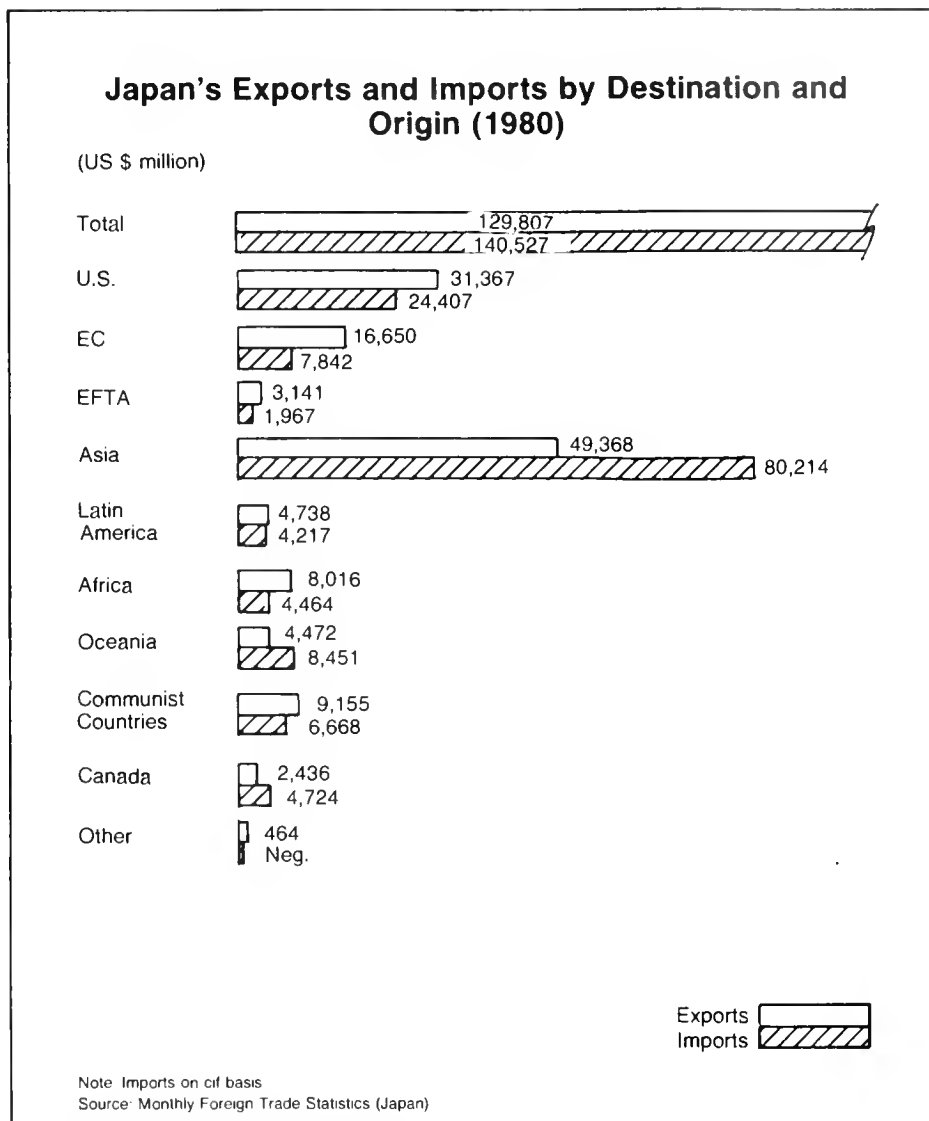
Defense. In the defense area, our objective is an equitable sharing of roles and missions, taking into account Japan's unique constitutional and political constraints. Within this framework, we are agreed that Japan should assume primary responsibility for its local defense, particularly air defense and protection of its sealanes up to 1,000 miles. Improvements in Japan's defense posture required to perform these tasks effectively will require increased outlays in the years ahead, but rather than dwell on budget figures *per se*, we prefer to make our views on defense cooperation known in continuing consultation at all levels on agreed roles and missions together with the capabilities to perform them. We recognize that the ultimate decisions will be made by Japan in its own national interest.

From a Japanese perspective, impressive progress has been made over the past few years in moving toward a realistic discussion of security issues, even though these remain highly sensitive politically. The no-war clause of the constitution is broadly supported, although it has been interpreted to permit just about all improvements in Japan's self-defense posture likely to be required in the foreseeable future. Joint planning between American and Japanese military staffs is proceeding smoothly; cost-sharing support for our forces has been extended to include assumption of a portion of the labor costs of our Japanese national employees and construction of operational as well as nonoperational facilities; and joint exercises have been expanded among all three services.

The buildup of Soviet forces in East Asia, the militarization of Japan's northernmost islands, the raw assertion of Soviet military power in Afghanistan, and the less direct application of Soviet military pressure against the forces of liberalization in Poland all have served to awaken Japanese consciousness of the need for increased defense effort.

Prime Minister [Zenko] Suzuki's decision to approve a 7.75% increase in defense spending in this year's budget, in spite of a large deficit and zero-growth budgets for almost all other sectors, is encouraging evidence that the Japanese Government is moving to put its defense buildup back on the tracks. If differences remain, they are largely over the pace of buildup and the urgency we attach to meeting the Soviet threat, rather than over the basic thrust of Japan's defense effort. Any massive increase in defense spending that called for doubling or tripling the defense budget would probably have destabilizing effects elsewhere in the East Asia region and would cause severe political upheaval in Japan.

Foreign Aid. Against this background, Japan has developed a concept of "comprehensive security"—embracing a defense effort, foreign aid, and diplomacy. While we do not regard foreign aid as a substitute for defense, it is certainly complementary. We fully support Japan's expansion of its foreign aid contributions and the improvement in the quality of its aid as contributions to peace and stability in Asia and other regions. Japan now ranks fourth in the world in absolute volume of aid disbursements, allocating a somewhat higher level of GNP (0.32%) to aid than



the United States. It is now embarked on a program to double between 1980-85 the amount of aid furnished in the 1975-79 period. At the same time, Japan has begun to shift the focus of its aid from countries that are major potential export markets to developmental assistance and the fulfillment of basic human needs in the poorer countries. It has also been increasingly willing to provide significant amounts of aid, often fast-disbursing to countries of political importance to the Western alliance, even if they are of relatively little economic importance to Japan; for example, aid programs in Egypt, Turkey, Pakistan, Jamaica, and most recently, Sudan. We believe prospective future aid developments in Japan will satisfy both Japan's own interest and support U.S. objectives.

International Cooperation. U.S. and Japanese policies toward third countries are hardly identical, but across the broad range of our international relations, Japanese policies support or are consonant with our own. The similarities in our approach to almost all major issues and in almost all geographic areas are pronounced, and the differences are most often those of tactics or style. This commonality of approach does not derive from some selfless bond of trans-Pacific good will. It stems from common interests and values. We share essentially the same world view, emphasizing the unity of the Western alliance in the face of pressures from the Soviet Union and its surrogates, the development of moderate private sector-oriented governments in the developing world, and opposition to force as a means of bringing about change. For these reasons, despite

a somewhat more activist and independent Japanese foreign policy course, we still closely coordinate our actions with each other and with other Western nations, especially in regard to crises such as those in Iran, Afghanistan, and Poland.

Japanese-Soviet Relations

The Japanese continue to show a firm posture in their dealings with the Soviets, and relations with Moscow remain cool and correct. Like the United States, Japan wishes to keep open channels of communication, as evidenced by the recent resumption of vice ministerial-level talks, which had been discontinued in 1978. At the same time, Japan has stood firm in asserting its rightful claim to the Soviet-occupied northern territories. And while there is

some talk of differing U.S. and Japanese perceptions of the Soviet threat, we have both recognized the destabilizing effect of the Soviet military buildup and have reacted sharply to Soviet direct aggression in Afghanistan.

Sanctions imposed by Japan at that time went as far or further than those imposed by any ally. More recently, the Japanese have joined us in directing sanctions against the Poles and Soviets in response to developments in Poland.

China

With respect to China, Japanese goals parallel our own. The Japanese welcome Beijing's shift toward a more pragmatic economic, political, and diplomatic course and are providing substantial economic assistance to China's modernization program. The Japanese see an

amicable U.S.-China relationship as very much in their own interest. They accept the possibility of U.S. sales of defensive weapons to China as a means of promoting U.S.-China ties but are wary of any effort to forge a U.S.-Japan-China "alliance" to oppose the Soviet Union, on the grounds that such an effort would raise tensions in Asia. Japan sees our policy of maintaining unofficial commercial and cultural ties with Taiwan as paralleling its own interests. At the same time, Japan welcomed our decision not to sell Taiwan advanced aircraft, a sale which it feared might provoke a setback in U.S.-China relations.

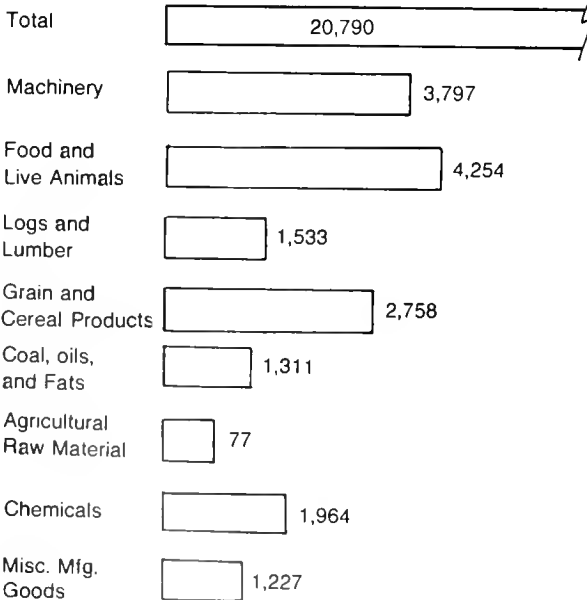
Korea

Both the United States and Japan recognize the vital importance of peace and security in the Korean Peninsula.

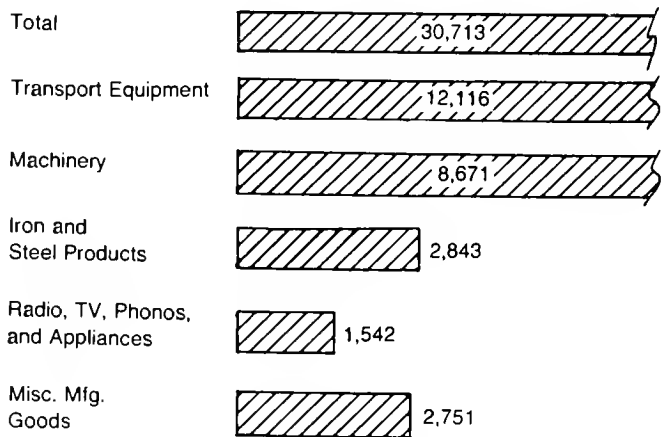
Highlights of Major Products in U.S.—Japan Trade (1980)

(US \$ million)

U.S. Exports



U.S. Imports



Note: Imports on F.A.S. basis
Source: Highlights of U.S. Export and Import Trade

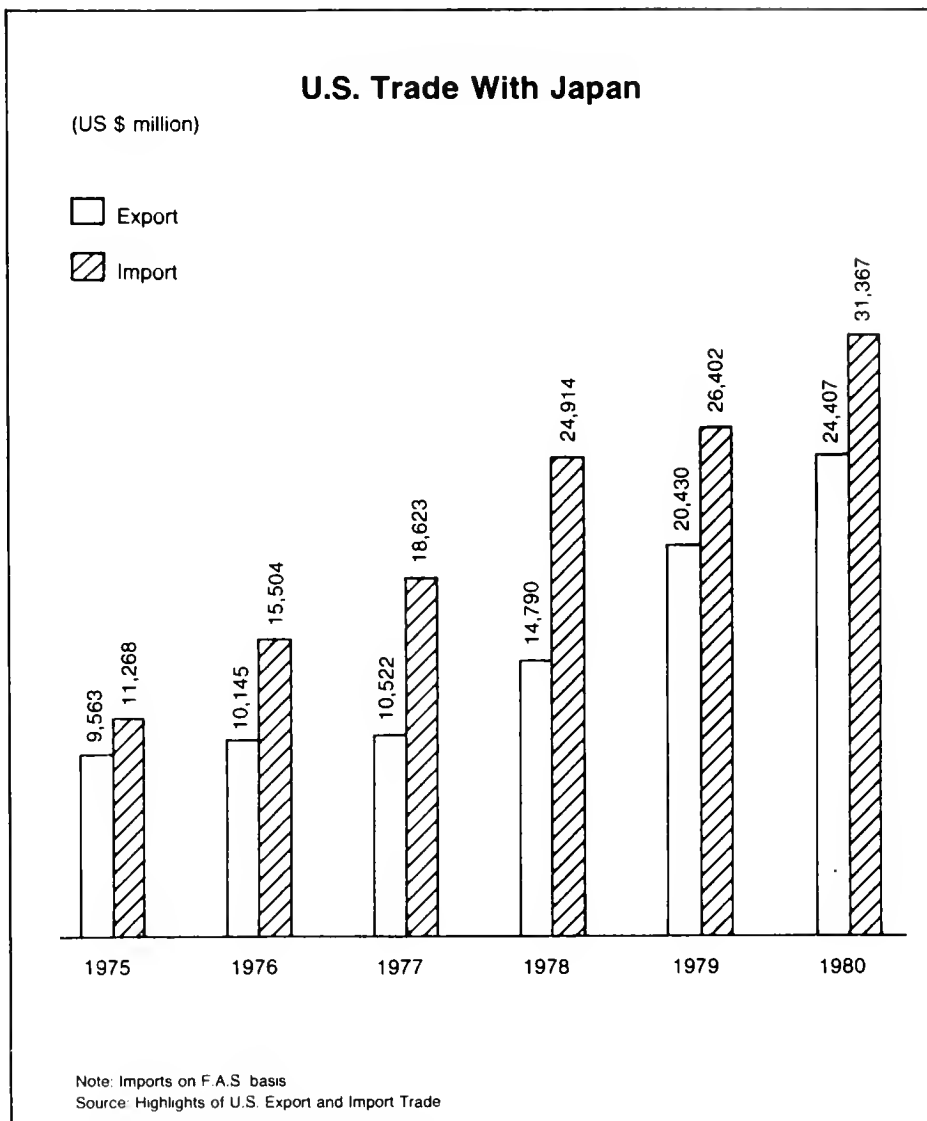
Relations between Japan and Korea are complicated by their historical experience, but the Japanese have participated with us in continuing efforts to assist in Korea's economic development. Certainly, Japan's contributions in the form of concessional loans, official development assistance, and direct assistance have been important elements in Korea's rapid development.

Recently, Seoul has sought to convince Japan to expand its economic assistance. The Administration views this request strictly as a matter to be decided between the Governments of Japan and the Republic of Korea. While we, of course, hope that our two allies will maintain close bilateral relations, we have limited our involvement to encouraging both governments to resolve the issue amicably, and we have neither endorsed nor opposed Korea's request.

Southeast Asia

The United States and Japan have worked in parallel to assist the peaceful nations of Southeast Asia that form the Association of South East Asian Nations (ASEAN). Japan's relations with the ASEAN countries have continued to focus largely on economic activities, including heavy contributions to the Indochina refugee relief program. Japan has, however, begun to play a more active political and diplomatic role.

We both seek to encourage the economic development and independence of the ASEAN countries, and our approaches, including ministerial-level attendance at ASEAN meetings, reinforce each other. Like the United States, Japan has also supported ASEAN on Vietnam and Kampuchea. There is, however, a potential for some divergence of U.S. and Japanese views on how best to deal with Vietnam. There is some support in Japan for the notion that isolating Vietnam serves only to push it closer to the Soviets, without forcing it to withdraw from Kampuchea, and that offering the Vietnamese positive incentives to adopt a more accommodating posture might have a better chance of succeeding. Nonetheless, a small hospital grant aside, Japanese aid to Vietnam has remained frozen since Vietnam's invasion of Kampuchea, and no real forward motion in Japan-Vietnam relations is anticipated before Vietnam withdraws.



The Middle East and Southwest Asia

Heavy reliance on Persian Gulf oil has stimulated vastly increased Japanese attention to the Middle East and Southwest Asia following the 1973 oil shock and the invasion of Afghanistan. Japan has supported U.S. objectives in the area, demonstrating a broad understanding of what is at stake. I have already referred to Japan's continuing backing for our actions relative to Afghanistan and would also recall its support during the Iran hostage crisis. Japan, moreover, has provided substantial aid to Pakistan, Egypt, and Turkey—none of them oil exporters—as well as to the more moderate gulf states. Yet the Middle East is perhaps the area where U.S. and Japanese diplomacy most diverges, primarily with regard to how to solve the Arab-Israeli

conflict and bring stability to the area.

Since the 1973 oil embargo, while maintaining correct relations with Israel, Japan has placed greater emphasis on cultivating close ties with the Arab states because of its dependence on them for oil. One manifestation of this approach has been the development of contacts with the PLO [Palestine Liberation Organization], which culminated in the "unofficial" reception of [Chairman, PLO Executive Committee, Yasir] Arafat by Prime Minister Suzuki in Tokyo last autumn. The Japanese see the Palestinian issue as the key to settlement of the Arab-Israeli issue and believe that the PLO must be a party to this settlement. They view their efforts to cultivate the PLO as complementary to U.S. efforts to bring peace to the region. At the same time, they do not want to work at cross-purposes with us

and have stood by the Camp David accords, while giving strong diplomatic and economic support to Egypt.

Africa and Latin America

In Africa and Latin America, Japan's interests have been largely economic, although there have been indications that Japan is seeking to establish a broader presence in these areas. Japan is interested in assisting African countries on the Indian Ocean, a policy which complements our own strategic efforts there. Along with providing substantial aid for the African refugees, Japan has now pledged new aid for the Sudan. Japan, last year, embarked on a bilateral aid relationship with Jamaica and has expressed interest in acting as a donor and participant in U.S. proposals for a Caribbean Basin initiative.

Coordination

As a general rule, we have not attempted to divide responsibilities with Japan in our dealings with specific regions and countries. We have, however, regularly consulted and coordinated our activities. In some cases, this has resulted in the United States placing more emphasis on one aspect; e.g., military aid, and the Japanese more emphasis on another; e.g., developmental aid. Generally, our approaches are complementary and sometimes overlapping.

As part of our consultative process, the President and Prime Minister have met twice in the past year, while Secretary Haig has met his counterpart eight or nine times. There has also been a series of visits back and forth by other Cabinet and subcabinet-level officials. Frequent exchanges take place between Members of Congress and their Japanese parliamentary counterparts. In addition to daily multiple contacts through our respective embassies, we have annual specialist consultations with appropriate Japanese counterparts on every major region.

Looking Ahead

U.S.-Japan relations have evolved into what has been described by Ambassador [Michael J.] Mansfield as the most important bilateral relationship in the world. The advantages of sustaining the benefits that accrue to both our countries are enormous and should assure the continuation of close alliance part-

nership in the years ahead. It would, however, be folly to take for granted a projection of our close collaboration into the indefinite future. Any relationship the magnitude of ours requires constant cultivation. It requires that neither side permit emotions to overcome reason in contending with complex issues. And most importantly, it requires that we address any single problem or set of problems, no matter how vexatious, in the context of our total relationship.

The fundamental danger facing the U.S.-Japanese relationship over the next few years is the likelihood of a growing disparity between U.S. expectations of Japan in the economic and defense areas and Japan's ability or willingness to meet these expectations. In both areas, Japan will assume greater responsibility over the next decade; this trend is already clear. However, the pace is likely to be slower than we would like.

The most immediate issue is trade friction. Japan has removed most of the formal barriers—tariffs, quotas—to the nonagricultural sector of its market. Nevertheless, many protectionist devices remain, including the imposition of standards and day-to-day interpretation of complex import regulations in ways that discriminate against foreign goods that compete with Japanese-made products.

Lingering Japanese protectionism has been an irritant in our relations for some time. However, with a bilateral U.S. trade deficit of \$16 billion and high unemployment in the United States—particularly in sectors such as automobiles, where Japan has a large share of the market—Japan's "double standard" of enjoying, through its exports, the benefits of free trade but not paying through the import route its full share of the domestic political and economic costs, has become a dramatic, front burner political issue.

The Japanese have, unfortunately, been slow to recognize this to be so and have tended either to discount our complaints and those of the EC [European Community] as "scapegoatism" for our respective economic failures or to argue that even if the Japanese market were completely open, this would have only a marginal effect on the trade imbalance. In sum, the Japanese perspective is that inflation and low productivity caused by inadequate investment have undermined the competitiveness of American products, and high U.S. interest rates have compounded this problem by keeping the value of the dollar high.

We believe that these counterarguments, while having some validity on economic grounds, miss the basic political point. Even if removal of trade barriers were to have only a marginal impact on the trade balance, the barriers, themselves, are perceived as symbolic of Japan's unwillingness to play the international trade game by the same rules used by its partners. Demands for retaliation are thereby provoked, which could endanger the postwar international free-trading system, from which Japan has benefited so greatly.

Although there is growing recognition in some circles in Japan of the seriousness of the problem, the barriers to substantial progress are great.

First, the agricultural, industrial, and service sectors that are protected have great political influence within the majority Liberal Democratic Party.

Second, there is widespread belief that the pressure will recede as the world economy picks up.

Third, the Japanese consensus decisionmaking system makes it very difficult for Japan to make the necessary hard decisions.

There is, therefore, real danger that the current trade problem between Japan and the United States could worsen, particularly if the 1980s see a protracted period of low growth and high unemployment in the West.

The other issue that poses a danger to the U.S.-Japan relationship is the disparity in the defense burden borne by each state. This issue should prove more manageable than trade. Basic U.S. and Japanese objectives are essentially the same, and neither country wants a fundamental reorientation of Japanese defense policy. As noted earlier, differences between us relate to the pace at which defense goals are to be achieved. In this context, by increasing the fiscal year 1982 defense budget in spite of serious political and budgetary constraints and by hinting that it intends to do the same next year, the Japanese Government has recognized the need for Japan to expand its capabilities, both in terms of meeting the growing Soviet threat and protecting its strategic relationship with the United States.

The Japan defense agency's 1982 budget appears sufficient to complete the procurement goals of its 1980-84 midterm operations estimate on schedule, but this will mean only a marginal increase in the present capabilities of the Japan self-defense forces. We are particularly interested in

the defense forces second estimate, which will cover the period 1983-87. This estimate is being prepared with the goal of reaching the military force levels contained in Japan's 1976 national defense program outline. This would mean a substantial increase in the capabilities of the self-defense forces, consistent with our views on the need for a credible but still strictly defensive Japanese military posture.

We do not yet have specific estimates, but it is clear that achievement of the 1983-87 estimate goals will mean increases in Japan's defense budget at rates greater than those of recent years. While the Japanese Government must balance its commitment to strengthened defense capabilities with due consideration for domestic political constraints, we will continue to encourage it to make the budget decisions

necessary to implement our agreed goal of closer, more effective defense cooperation.

There is every prospect that Japan will continue substantially to expand its foreign aid, and we agree with the Government of Japan that greater efforts in both foreign assistance and defense are effective and appropriate complements to each other; progress in both areas is necessary if Japan is to undertake a role in world affairs commensurate with its economic strength and influence.

Conclusion

The assumption of greater international responsibilities by Japan should benefit the U.S.-Japan relationship, but the adjustment to shifts in our relative power and influence will also entail a certain

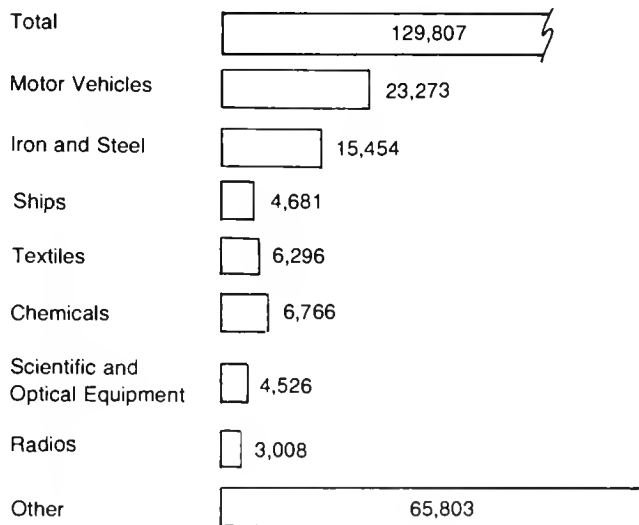
amount of friction. At worst, should Japan lose confidence in the credibility of the U.S. security guarantee or should the United States lose patience in Japan's failure to take more responsibility for its own defense, fundamental changes in the relationship could occur. By the same token, should the United States forsake its economic leadership role or the U.S. economy decline to such an extent that Japan no longer considered our markets or resources indispensable to its economic survival, the U.S.-Japan relationship, as now constituted, might be radically altered.

While none of these developments seems likely and the basic factors that sustain our relationship should continue to obtain security interests, economic interests, and perhaps above all, shared political values, I am less sanguine than at any time in the recent past. A high

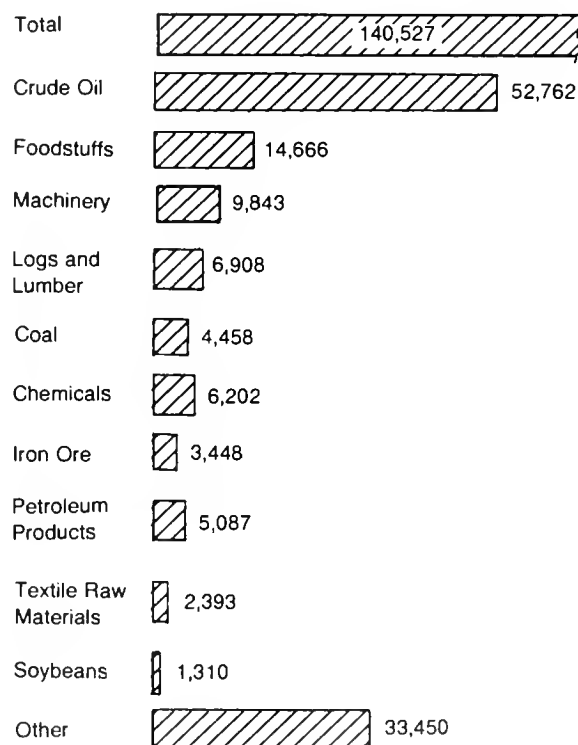
Japan's Exports and Imports by Principal Commodity (1980)

(US \$ million)

Exports



Imports



Note: Imports on cif basis

Source: Monthly Foreign Trade Statistics (Japan)

degree of emotionalism currently envelops discussion of trade, and to a lesser degree, defense issues. To assure the future, to preserve our interdependent partnership, and to put out of mind the unthinkable but not impossible alternative of the United States and Japan drawing apart, it will be necessary to rely more than ever on all the tools at our disposal for strengthening mutual understanding and cooperation. Frank, open, and empathic dialogue is called for on both our parts as part of a process of full consultation in the formation and implementation of decisions of importance to our two nations.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

10th Anniversary of Shanghai Communique

The following letters were exchanged by President Reagan and Premier Zhao Ziyang of the People's Republic of China on February 28, 1982, to commemorate the 10th anniversary of the Shanghai communique.

Dear Mr. Premier:

Ten years ago today the United States of America and the People's Republic of China issued the Shanghai Communique. In the ensuing decade, and particularly since the establishment of full diplomatic relations between the two countries on January 1, 1979, our relations with your government and people have greatly expanded, and our contacts have embraced almost all areas of human endeavor.

Our bilateral ties now encompass trade, banking, maritime affairs, civil aviation, agriculture, educational and scientific exchange, technology transfer and many other fields. Well over one-hundred thousand Americans and Chinese now flow back and forth between the two countries each year, and our relations continue to develop through both people-to-people and diplomatic channels.

These concrete manifestations of good relations between the people of the United States and China are not only in the interests of the two countries. They enhance the prospects for peace and stability throughout the Asia-Pacific region and beyond.

As we enter the second decade since the issuance of the Shanghai Communique, our desire is to build an even stronger bilateral and strategic framework for long term friendship between our two nations. It is appropriate for me, at this time, to reaffirm the positions agreed to by both sides in the Shanghai Communique and the Joint Communique on the Establishment of Diplomatic Relations between the United States of America and the People's Republic of China and to declare my government's willingness to work with our counterparts in Beijing to overcome differences and deepen US-China ties.

On behalf of the American people, I extend the hand of friendship and warmest wishes to the government and people of China on this historic anniversary.

Sincerely,

Ronald Reagan

His Excellency
Zhao Ziyang,
Premier of the State Council of the
People's Republic of China,
Beijing.

Esteemed Mr. President,

On the occasion of the tenth anniversary of the issuance of the Joint Communique in Shanghai by the People's Republic of China and the United States of America, I wish to extend, on behalf of the Chinese government and people and in my own name, our cordial regards and good wishes to Your Excellency and the government and people of the United States.

The Joint Communique issued by China and the United States a decade ago was a historic document, which started the process of normalization of relations between China and the United States and subsequently led to the establishment of diplomatic relations between them. During this period, our two sides have had extensive contacts and exchanges in many fields, thus enhancing the understanding between the governments and deepening the friendship between the peoples. The development of Sino-U.S. relations is not only in the fundamental interests of our two peoples, but also conducive to the maintenance of peace and stability in Asia and the world as a whole.

Both the Chinese and American peoples hope that Sino-U.S. relations will continue to move ahead in the years to come. I believe that these relations will continue to develop so long as both governments adhere to the principles jointly established in the Shanghai Communique and the Communique on the Establishment of Sino-U.S. Diplomatic Relations and overcome the obstacles currently existing in the relations between the two countries. The Chinese government is willing to make efforts together with the U.S. government towards this end.

Sincerely,

Zhao Ziyang
Premier of the State Council of the
People's Republic of China
Beijing, February 28, 1982. ■

Polish Debt Situation

by Robert D. Hormats

Statement before the Subcommittee on Foreign Operations of the Senate Appropriations Committee on February 9, 1982. Mr. Hormats is Assistant Secretary for Economic and Business Affairs.¹

I welcome the opportunity to appear before this subcommittee to discuss our policy toward Poland and, in particular, the Polish debt situation. I will comment specifically on an issue which has a direct bearing on that policy: the method adopted by the Commodity Credit Corporation (CCC) to meet its legal obligations to those U.S. banks which have repayments due from Poland on U.S. Government guaranteed credits extended to Poland in 1979, 1980, and 1981 for purchases of agricultural commodities.

Allied Policy Since Martial Law

Let me begin by sketching out U.S. and allied policy and actions since the imposition of martial law in Poland. We and our allies have agreed that we will accept nothing less on the part of the Polish Government than lifting martial law, releasing the detainees, and restoring the dialogue with Solidarity and the Church. We will keep sustained pressure on Poland until these conditions are met. The January 11 special NATO ministerial meeting on Poland, and subsequent meetings of the North Atlantic Council, with attendance of senior political and economic officials from capitals, have led to measures by allied nations to increase pressure on the Poles and Soviets.

We and our allies are considering additional measures. Among the measures already taken multilaterally against Poland are cessation of new commercial credits, restriction on credits for food exports—except humanitarian assistance—and suspension of consideration of 1982 debt rescheduling negotiations. In addition, the United States has unilaterally suspended Polish airline landing rights and fishing rights.

The Western alliance is in full agreement that the Soviet Union bears a heavy responsibility for, and is deeply involved in, the repressive policies of the

Polish regime. The allies agree that pressure must be put on the Soviets to bring about a restoration of the reform and renewal process in Poland. The United States has taken a number of specific steps to exert pressure on the U.S.S.R. of which you are all aware. Our allies have also announced actions against the Soviets. For example Italy has declared a "pause for reflection" in its negotiations to buy Soviet gas; many European countries have canceled official high-level exchanges and visits and are implementing their exchange agreements on a restrictive basis. They are considering additional measures. For example, the European Community is considering agreement to increase the interest rate charged for export credits to the U.S.S.R. We and our allies are consulting closely on what we can do to bring further economic pressure to bear on the Polish and Soviet Governments.

The military crackdown in Poland and related events demonstrate the weakness of the Communist system that the Soviets have imposed on much of Eastern Europe. The Soviet Union is also attempting to turn its failure in Poland into a foreign policy victory by dividing the Western alliance. We and Europe are attempting to insure that this does not happen. Our objective is to maintain, and indeed strengthen, allied unity through common support of sustained pressure on the Polish and Soviet Governments to end repression in Poland. It is vital at this crucial point in history that a firmly allied West make clear to Warsaw and Moscow that it will continue such pressure—and refuse any return to "business as usual"—as long as violations of internationally recognized human rights continue in Poland.

Polish Debt

Poland has massive debt obligations to Western governments and private banks—about \$26 billion in all. It owes the U.S. Government directly about \$740 million, mostly for CCC direct credits. In addition, Poland owes U.S. banks about \$800 million for credits extended under CCC guarantee programs and about \$1.3 billion in unguaranteed credits.

Our objective is to insist that Poland repay its debt. At this point, it is our assessment that this is the best way of keeping pressure on the Polish Government—and indirectly on the Soviet Government. Our allies share this view. And we and they have agreed to suspend consideration of talks on rescheduling Poland's 1982 debt obligations. This allows the official Western creditors to pursue the collection of 1982 Polish debts. In fact, Poland is making partial payment to Western creditors, while no new credits are going to Poland. Thus, there is a net financial flow from Poland to the West. With no new Western credits going to Poland, and with Poland being pressed to repay its debt, the Soviets are having to transfer significant amounts of resources to Poland.

It has been suggested that we could exert even more pressure on Poland and the Soviet Union by declaring official Polish debts in default. Clearly, declaring official default is an option that can be used if circumstances warrant. However, our current assessment is that our officially declaring Poland in default might be used by the Polish Government as an excuse to relieve itself of its obligation to make repayments. In addition, it would be a sanction that would be difficult to reverse if the Polish situation improved. And our allies have expressed strong concern about the impact of a formal declaration of Polish default on their banks and on the international financial system—a concern shared by U.S. financial officials. Moreover, if we were unilaterally to declare default, the possibility exists of others being repaid before or instead of us. Finally, if the objective is to deny the Poles new credits, that has been achieved already—without formal default being declared.

The Administration decided that CCC should honor its obligations to those U.S. banks which have claims against CCC guaranteed credits. Since there is a great deal of misunderstanding about the implications of this decision, I want to emphasize several points.

- The CCC proposal in no way relieves Poland of its obligation to pay these debts. The only difference is that the Polish Government would owe the money to the U.S. Government instead of U.S. banks, and we will press hard to collect.

- It is not a bail-out of the banks. The U.S. Government guaranteed these credits; they are due and unpaid, and we are obligated to honor our guarantees.

- It does not prevent the banks from declaring Poland in default. The banks are owed nonguaranteed credits and could declare default if those are not repaid. They have not done so.

- It is not a rescheduling for the Poles. There is no extension of maturities or change in terms.

Finally, there has been a great tendency to characterize approaches to this issue in terms of hard and soft. I prefer to look at it in terms of what produces the greatest pressure on Poland and the Soviets, as well as what insures the best chance of loan repayment. It is a broadly shared conclusion—by the highest levels of this government and by the highest levels of allied governments—that pressing for repayment rather than declaring formal default best serves these objectives.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Soviet Energy Development and the Western Alliance

by Ernest B. Johnston, Jr.

Statement before the Subcommittee on Investigations and Oversight of the House Committee on Science and Technology on February 9, 1982. Mr. Johnston is Deputy Assistant Secretary for Economic and Business Affairs.¹

I suspect that the drafters of the Office of Technology Assessment study on *Technology and Soviet Energy Availability* did not anticipate how timely their work would prove to be. Their report was issued shortly after our discussions last fall with the Europeans on the West Siberian gas pipeline which, of course, is the largest and single most visible example of Western equipment and technology associated with Soviet energy development. Its release also came at a time when the Administration was studying a new policy on exports to the U.S.S.R. of oil and gas equipment and technology.

Since that time, events in Poland took a dramatic turn for the worse and caused us to invoke strong measures against the Soviet Union for its direct role in the Polish repression. In response to this heavy Soviet role, and to show the seriousness of our concern, the President announced on December 29 that we were placing expanded controls on the export of oil and gas equipment and technology to the U.S.S.R. He also announced that action on licensing cases for the U.S.S.R. would be suspended. As

a result of these actions, oil and gas equipment and technology is not now being exported from the United States to the Soviet Union. We have asked our allies to take parallel measures and not to undercut the actions we have taken in response to martial law in Poland.

Energy production is important to the Soviets not only for their domestic use but also for export earnings. I will limit my remarks this morning to the oil and gas sectors of energy because these are the most important sources for Soviet energy consumption and for Soviet exports. In particular, I will comment on the subjects of Western imports of oil and gas from the U.S.S.R., U.S. controls on exports of oil and gas equipment and technology to the U.S.S.R., and the West Siberian gas pipeline project.

There is no question that the Soviet Union will seek to import large volumes of Western equipment and technology as it endeavors to develop and exploit its oil and gas reserves in the coming decades. Oil and gas provide both the bulk of domestic Soviet energy needs and over half of the U.S.S.R.'s export earnings.

Even under the most optimistic assumptions about the level of Soviet oil and gas production, it is clear that the days of easy Soviet access to cheap reserves are rapidly drawing to a close. While gas is surpassing planned production levels, oil production has remained

constant, and the marginal cost of production appears to have risen significantly. This means the Soviets are counting on increasing hard currency revenues from gas as oil exports decline later in this decade.

New reserves, especially in the all-important gas sector, are from major population and industrial centers. Long-distance transport is needed for the gas to reach Soviet and foreign consumers. This geographic shift, primarily to the West Siberian region, means that the construction of new gas pipelines will be necessary. The Soviets now depend on Western equipment imports for the key components in pipeline construction—especially large-diameter pipe and compressor stations to drive the gas through the pipes. While much of the Soviet equipment imports are not particularly technologically advanced, Soviet indigenous production is currently inadequate to meet Soviet needs, in terms of both quantity and quality. The Soviets clearly envisage a Western role providing the pipe and other equipment for their oil and gas development, to be financed with Soviet energy exports.

Perhaps the most notable finding of the Office of Technology Assessment study is that the United States alone has little leverage to reduce current and future development of Soviet oil and gas. According to the report, while much of the equipment and technology currently in use around the world originated in the United States, we do not hold a monopoly in this area. The study reports that there is no single essential energy equipment or technology area in which the U.S.S.R. must depend on the United States for the long run. In areas where the Soviets now rely on Western imports, there is equipment and technology availability outside the United States, principally from West Germany, France, Italy, Japan, and the United Kingdom. And, in the case of large diameter pipe—the highest value item in Soviet imports from the West for their energy projects—the United States does not produce the 56-inch diameter pipe used by the Soviets. U.S. firms have, in the past, licensed some technology to overseas companies, including blueprints and plans for gas turbine engines to drive compressors. But the Office of Technology Assessment study points out that foreign firms, through research and development, have independently developed their own oil and gas equipment and technology capabilities.

The United States does retain an edge in some oil and gas equipment and technology areas. The study notes that the United States is the sole or preferred supplier in a number of areas, including integrated computer systems and software, submersible pumps, blowout preventers, and tertiary recovery techniques. But the U.S.S.R., in recent years, has shown a definite reluctance to purchase U.S. energy equipment because of the possibility of export control problems. For instance, the United States has sold no submersible pumps to the U.S.S.R. since 1978. In some cases the Soviets have purchased substitute equipment and technology abroad; in others, they have acquired an indigenous equipment manufacturing capacity; and in still other cases, the Soviets have changed their design to eliminate the need for Western equipment in order to avoid critical dependencies.

Although the United States may have some delaying possibilities, we cannot markedly reduce the volume or increase the cost of Soviet energy production through unilateral export controls. However, the West, acting in a concerted manner, could have a significant impact.

Differing Perspectives on Soviet Oil and Gas Development

Before discussing possible Western policies toward Soviet oil and gas development, it is important to describe fully the differences of view between the United States and our allies, especially in Europe, on the desirability of increased Soviet energy production and expanded East-West energy ties in those areas.

The European perspective is different from ours for a number of reasons. In the first instance, the Europeans are more dependent on imported energy sources than we. They import approximately two-thirds of their energy needs, whereas we import only about one-fifth of our energy requirements. The Europeans view the development of Soviet oil and gas as contributing to overall world energy market supplies, thereby increasing global stability. Further, given a strong desire to reduce their heavy dependence on Middle Eastern energy imports and to diversify their supplies and given the U.S.S.R.'s relative proximity to Europe, they view the Soviet Union as an acceptable, even desirable, supplemental supplier. This view is reinforced by the continuing European belief that energy and other

trade links with the Soviets serve to moderate Soviet international behavior. It is also reinforced by the perception that European purchases of Soviet oil and gas finance Soviet imports of European technology and manufactured goods.

Another key ingredient in the European and Japanese perspective on Soviet oil and gas development is the opportunity for related energy equipment trade. The importance to Western Europe and Japan of these equipment exports is particularly evident in the context of the West Siberian gas pipeline. Estimates vary, but European pipe and equipment manufacturers—most of whose business has been seriously depressed in recent years in a period of general economic difficulty—stand to gain over \$10 billion from contracts for this single project alone. Japan, while importing only a very small percentage of its total energy needs from the U.S.S.R., exports to the U.S.S.R. more energy equipment than any Western country.

These energy, economic, and political factors behind our allies' view of Soviet energy development are, needless to say, not entirely shared by the United States. U.S. energy imports from the Soviet Union (fuel oil) are extremely modest. The majority of our exports to the U.S.S.R. is in agricultural commodities, not in industrial products or oil and gas equipment. And, in contrast to some of our European allies, this Administration remains skeptical that East-West economic interaction really has had a moderating influence on Soviet international behavior.

These differences in view are not easily bridged. But this Administration is committed to working with our allies to insure that excessive Western dependence on Soviet energy does not develop. In this context, I will briefly discuss the West Siberian pipeline and its implications for Western energy security.

The West Siberian Pipeline

In our discussions with European governments on the pipeline, we have focused on the energy security impact of increased West European reliance on Soviet energy sources. We have stressed the vulnerabilities which could arise from increased imports of Soviet gas and have emphasized that the volume of energy imports from the Soviet Union is not in itself a sufficient indicator of

potential economic and political vulnerability that could arise from expanded energy ties.

Although the six European participants in the pipeline project will be dependent on the U.S.S.R. for only approximately 6% of their total energy needs once the pipeline is fully operational, we feel the Europeans must look beyond the aggregate numbers to more fundamental energy security considerations.

- Gas—which is rapidly replacing oil as the chief Soviet hard currency earner—is a difficult fuel to replace in the event of a supply interruption. There is no spot market for gas and large start-up investments are required for pipelines or liquefied natural gas facilities.

- Certain regions within Europe will be heavily dependent on Soviet gas once the pipeline is completed. Unless there were excess capacity in other parts of the European natural gas grid, it would be difficult to replace substantial levels of gas should a supply interruption occur.

- Residential and commercial consumers will be particularly dependent on Soviet gas, and a cut-off in these sectors would occasion special and most troublesome domestic political problems and pressures.

Thus, we argued that West European vulnerability to Soviet gas leverage could be more substantial than the numbers alone indicate. Even without a cut-off of Soviet energy flows, the Soviets will possess leverage which could be brought to bear on West European governments.

In addition to these energy security considerations, we have pointed out that the economics of the pipeline are no longer as attractive as they were when initial negotiations began in 1978. Overall energy growth rates are down, and European gas demand last year declined by 4%. Official estimates of future gas demand are now being revised downward.

For these reasons, we are continuing to discuss with the Europeans alternatives to the West Siberian project which we believe are more economic and more secure. We have advocated looking into increased Norwegian gas supplies and the possibility of increased liquefied natural gas imports. We have noted as well that certain aspects of U.S. energy policy will increase the availability of oil and gas on world markets. These include our decontrol of domestic oil prices and

steps to accelerate leasing of Federal lands for energy development. We are also prepared to increase exports of coal to Europe.

In response to our concerns, the Europeans have been firm in characterizing our alternative energy sources as supplementing—but not replacing—increased energy imports from the Soviet Union. But the Europeans have gained through our discussions a better appreciation of the risks inherent in East-West energy trade. The final results of the consultations are not yet certain, but they may include closer Western cooperation on issues relating to gas trade and on overall energy security. As the Office of Technology Assessment study notes, this type of Western energy cooperation can help to limit the risks of East-West energy trade.

Western Trade Policy Toward Soviet Energy Projects

Even before we recently stopped shipments of oil and gas equipment and technology exports to the U.S.S.R., we were the only Western country to control the export of such items to the Soviet Union. Of course, our allies do control some dual-use items—computers, for example—that are used on Soviet oil and gas projects. Their controls, however, are based on security, not energy, considerations.

Our unilateral controls can have only a limited effect. In this regard, foreign sources for all equipment and technology required for the West Siberian gas pipeline are either already available or could be developed quickly enough so as not to delay significantly the anticipated schedule for putting that project into operation. Therefore, substantial allied cooperation would be needed to deprive the U.S.S.R. of Western equipment and technology. Of course, the U.S.S.R. is as anxious to avoid a dependency on the West as we are to avoid a dependency on them. It is probable, however, that the Soviets will continue to seek Western support, at least for projects aimed at increasing their exports of gas and maintaining as best they can their exports of oil.

We realize that one effect of tough unilateral controls on shipments of oil and gas equipment to the U.S.S.R. could be the development of production capabilities in other countries, which could then service not only the Soviet market but compete with the United States in other markets as well. An in-

tegral element in our current sanctions program is cooperation from our allies in not undermining our measures, in not filling in for contracts that our companies have lost as a result of our sanctions. In the long run, a multilateral system of controls, especially on exports of technology to manufacture equipment, could help to minimize losses to U.S. companies and could also insure that the Soviets do not gain an independent equipment manufacturing capability.

The study notes that our sanctions program following the Soviet invasion of Afghanistan demonstrated the problems of our allies in imposing trade controls in areas, such as energy, which do not have direct Soviet military applications. Our allies' problems are clearly exacerbated when the incentive of equipment sales to the U.S.S.R. and the goal of energy diversification are added to the equation. Nonetheless, the question is of such significance that we want our allies to consider carefully and constructively all possibilities of cooperative controls.

In spite of the problems of developing with our allies a multilateral control policy on oil and gas equipment and technology exports to the U.S.S.R., our own policy in this area is not and should not be based entirely on our allies' perceptions. We have a leadership as well as a partnership role with regard to the alliance. We cannot forge consensus without taking steps ourselves.

In this context, we question the wisdom of granting subsidized Western export credits in support of sales to the

U.S.S.R. For example, in negotiating equipment contracts sales for the West Siberian pipeline, the Soviets sought and received export credits at less than 8% interest—well below prevailing market rates. The effect of this interest rate level is that, to the extent not otherwise offset by price adjustments, the Europeans have underwritten some of the cost as well as much of the risk surrounding the project.

Conclusion

Achieving allied cooperation in meeting the problems posed by both Western oil and gas imports from the Soviet Union and oil and gas equipment technology exports to the Soviet Union will not be easy. Our experience with the West Siberian gas pipeline has demonstrated that we have large differences of view with the Europeans. But we shall continue to work cooperatively with our allies to lessen the risks of excessive dependence and potential vulnerability that could stem from Western imports of oil and gas. In the near term, our allies have said they will not undermine our sanctions on exports to the U.S.S.R. Both for now and the more distant future, we must strive to achieve a multilateral approach toward Soviet oil and gas development that will strengthen the alliance.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

In Defense of Western Values

by **Richard R. Burt**

Address before the Copenhagen Regional Seminar in Copenhagen, Denmark, on February 5, 1982. Mr. Burt is Director of the Bureau of Politico-Military Affairs.

It has become something of a cliché to suggest that NATO is a victim of its own success. Thirty years of peace with freedom have, it is suggested, weakened Western resolve to preserve the former while defending the latter. Western publics have become so accustomed to tranquility that they take it for granted and are unwilling to make sacrifices to insure its continuation.

Following this thesis, the current debate within the alliance is seen as taking place between those who recognize the scope of the external threat and those who do not; between those who appreciate the strategic realities of the Western position and those who remain lulled by illusions of detente.

Yet contrary to this analysis, the major debate within the alliance is not in the scope of the Soviet threat but on the form of the Western response. Resistance in Europe to stronger defense measures does not stem, in the main, from complacency. In fact, opinion polls suggest that Europeans as a whole are considerably more worried that a major war may be approaching than are Americans. The strength of the peace movement in Europe demonstrates the level of anxiety. Those who march in opposition to measures designed to strengthen NATO do so, in large measure, not because they think defense is no longer necessary, but because they think it no longer possible. Current differences in the alliance thus go well beyond varying perceptions of Soviet capabilities or intentions.

The Alliance at Middle Age

The world has changed significantly in many ways since NATO's inception over 30 years ago. The alliance has changed also but at a slower pace. Consequently, as it now begins its fourth decade, the West faces the need to reinvigorate its security cooperation.

One change of major significance to NATO has been the shift over the last 30 years in the U.S.-Soviet balance of power away from clear American

superiority to something closer to parity. Often commented upon, and generally accepted, the consequences of this development for NATO's strategy, doctrine, and force planning are becoming more widely understood. Yet necessary corrective measures have only begun to be undertaken.

More dramatic, less often commented upon, has been the shift in the balance of power between Western Europe and the United States. Thirty-five years ago Europe lay devastated. America produced and consumed half the world's wealth. Today Western Europe has achieved and in some places surpassed American levels of productivity and consumption. European societies are rich. European economies are dynamic. European systems of governments are solidly based. Europe is more self-reliant and self-assertive than it has been for decades. Europe is more united than it has been for centuries. Yet the patterns of Western defense remain today essentially what they were over 30 years ago.

The single most striking geopolitical change over the past 35 years is not, however, the shift between East and West, or even between the New World and the Old, but rather the shift between North and South, between the First World and the Third. In this brief span of years, the bulk of the world's population, and nearly as much of the world's territory and the world's resources, have moved from Western colonial tutelage to full independence of Western control, and in some cases toward outright hostility to Western interests. Yet the West has fashioned no consensus regarding its response to this revolution; no means for coordinating its relations with the majority of mankind; no concerted policy for defending and promoting its interests in these regions.

The pattern of Western security cooperation was thus set in an era very different from the present. It was set when Europe lay prostrate, when the United States had power to spare, when the only threat to Western interests originated with the Soviet Union, and when the only possible route for aggression was from the East. The security structure established by the West in those early postwar years met the challenges of that era successfully. This structure has continued to evolve and to meet the new challenges of successive

decades. But the pace of international change has quickened, the challenges have multiplied, and the structure has begun to develop growing pains.

Toward a New Division of Labor

Throughout the postwar era, deficiencies in European defense efforts have been offset by what amounted to a surplus in American defense capabilities. Today, broadly speaking, American superiority is gone and that surplus is no more. Over the past decade, Europe has taken steps to pick up the slack. The proportional European contribution to NATO's defense has risen significantly. The West is gradually moving toward a new division of labor, one in which Europe assumes greater responsibility. The West is also gradually moving toward a recognition of common security interests extending beyond Europe. But this process still lags behind the real changes in the East-West balance, U.S.-Europe balance, and the North-South balance. Adjustments of the magnitude needed to maintain pace with these changes are bound to be painful. As the process of change within the West accelerates, as the West moves more rapidly toward a new division of labor, occasional signs of discomfort are bound to become evident.

For America, the challenge is to lead a more fractious alliance, in more difficult circumstances, with reduced margins for error, and lessened instruments for persuasion. The United States is and will remain the single most powerful member of the alliance. There is no one else to whom the baton of leadership can be passed. Yet with each passing year the task becomes more difficult; the amount of effort required greater; the end result, in terms of alliance discipline, less. In these circumstances, expressions of impatience and exasperation from Washington are from time to time to be expected.

For Europe, the challenge is to assume responsibilities for Western defense commensurate with the place Europe has attained in the West's economic system and political councils. For 35 years, Europe has gotten more defense than it has paid for. Europeans have become accustomed to relying on the United States for their defense and on the U.S. Government for their defense policies. Assuming greater

responsibility for fielding an adequate Western defense will be difficult for Europe. Transferring to Europe greater responsibility for formulating and implementing Western defense policies will be even harder for Europe and for the United States.

For the West, the challenge is to develop a consensus on Western interests in the Third World and to fashion a more effective means to protect and promote them. NATO was established to defend European territory from an attack. It is not designed to deal with threats from other quarters, nor should it be turned to that purpose. Yet these other threats do exist. They endanger us all. They are unlikely to be mastered unless the West responds in a more concerted way than it has done to date.

Agreement on ends should precede discussion of means. The West's withdrawal from colonial responsibilities has left us with a crippling legacy of guilt and despair—guilt over past Western exploitation; despair over future Western ability to influence events in other areas of the world. Western policies toward the Third World thus rest, more often than not, upon little but rhetoric and good intentions and lead to little but hand wringing and inaction. Economic assistance rather than being a primacy for the promotion of Western values and interests is often little more than conscience money, designed to expiate past sins and to excuse a failure to involve ourselves directly in the fate of distant regions and forgotten peoples.

To the extent that the West has had a security policy toward the Third World over the past three decades, it has been one of gradually transferring to the United States the responsibility for protecting residual Western interests. Only 2 years ago, this process culminated in the acceptance by the United States of a unilateral responsibility for preserving Western access to the oil of the Persian Gulf, oil upon which Europe's economy runs.

This process has gone as far as it can. Europe, by reason of its economic power, its historical experience, its cultural links, and its geographic proximity, has a critical role to play in much of the Third World. A new division of labor among Western allies must result in a more equitable sharing of the costs of defending Europe. A new division of labor must also lead to a more equitable sharing of defense commitments in regions of critical importance to the West and a more equitable acceptance of the risks inherent in such commitments.

Toward a Stronger Conventional Defense

Another area in which the alliance has failed to keep pace with a changing world is in the relative priorities accorded its conventional and nuclear defense. When NATO was begun in the late 1940s, the memory of World War II was sharp. The fear of a new conventional war was keen. Europeans were willing, indeed eager, to accept a heightened risk of nuclear war to deter the outbreak of any conventional conflict. By threatening the use of nuclear weapons and equipping NATO's forces with them, Soviet conventional superiority was offset and Soviet aggressive designs discouraged.

Gradually, however, the Soviet Union developed a nuclear capability, first against Europe, then against the United States. As a result, the concept that NATO could compensate for conventional weakness with nuclear strength has come under increasing challenge. In the mid-1960s the strategy of flexible response was developed to provide the alliance with alternatives, in responding to aggression, short of nuclear war or surrender. There have since been continuing efforts to strengthen NATO's conventional defenses. But these attempts have not kept pace with European economic potential, with growing Soviet conventional capabilities, or with changes in the strategic balance between the U.S. and the Soviet Union.

Today the Western publics are clearly voicing their desire to raise, not lower, farther the nuclear threshold. Certainly there are some who want no defense at all. Yet the vast majority of our peoples recognize the need for defense. They are seeking, however, an approach which reduces the risk of escalation to nuclear weapons while continuing to deter aggression at any level.

Such a defense can be constructed. Nuclear deterrence is not the sole form of dissuasion. In adopting the strategy of flexible response the alliance recognized that a more robust conventional defense, combined with the continued capability for recourse to nuclear weapons, would provide an even more effective deterrent. Faced with a credible conventional and nuclear deterrent, a potential aggressor would need to deal not just with an uncertainty over the exact location of the nuclear tripwire but with the real possibility of initial defeat at the conventional level. Thus in strengthening the alliance's conventional

capabilities, we not only make nuclear war less likely, we make any war less likely.

Despite the move to flexible response, however, leaders on both sides of the Atlantic have for too long tended to implicitly accept the common wisdom that Western Europe is indefensible, and that only the threat of nuclear weapons can deter aggression. Certain nuclear deterrence must remain an essential element of Western defense. But it is time for the problems of conventional defense to be revisited with fresh insights and new approaches. For the past several years the West's military and political leadership, its academic experts, and its journalistic commentators have subjected the nuclear apex of NATO's strategy to the most intense examination. It is time, in my view, we reexamined its conventional base.

Toward a New Sense of Purpose

If democracy and personal freedom are to thrive, the West requires much more than a military defense. Societies sometimes are conquered from without. Often they first crumble from within. The first bastion in the defense of Western society is that of the intellect. To rejuvenate the structure for Western security, which has kept the peace for over 30 years, the West must first regain that sense of purpose which imbued NATO's creation. The West must once again define its values. It must proclaim them and it must apply them, not just to ourselves but in our dealings with others. What makes Western values unique and worth defending is not their Western origin but their universal application.

Too often we deny the universality of our values. We apply a deadening relativism to our evaluation of other societies and our reaction to events in other regions. In Poland the Soviets are thus said to demonstrate moderation, because they suppress Polish freedom without resort to military invasion. In Afghanistan the Soviet Union is waging a genocidal campaign, employing an arsenal of deadly chemical weapons. In Southeast Asia, the Soviet Union is supplying and controlling the use of toxin weapons against unsophisticated and defenseless people. Have these crimes inspired one march in the West, one demonstration, one dramatic act of protest? I know of none.

Those in our societies who question the necessity for defense need only look East. Those who have difficulty envisag-

ng how the Soviet Union might employ military superiority and geopolitical advantage to dominate a defenseless Europe need only regard on the current condition of Poland. Those who doubt the utility of military power in our modern world need only reflect upon the basis for Soviet control of Eastern Europe. Those who see little qualitative difference between Eastern and Western forms of government need only note the treatment of Poland's workers.

Yet Western opinion leaders too often regard our democratic forms of government and our free institutions as no more than cultural artifacts, the result of a more or less idiosyncratic historical development particular to Western societies. In consequence we excuse in others what we would never forgive in ourselves. We tend to regard the defense of Western values as a form of parochialism, the spread of those values as a form of aggression. We put ourselves on the psychological defensive from the start. We invite, and half accept, the outrageous arguments of the Soviet Union that the West has intervened in Poland by its expressions of support for Polish independence and liberty.

In fact the West has left the initiative in the ideological field to the Soviet Union for too long. Western values will not survive unless the West propounds them. Ideas, Plato to the contrary, do not exist in some ideal sphere, to be grasped anew by successive generations. Ideas live in the mind of man. If the idea of liberty ceases to light our eyes and to direct our action, then that idea will die. If the spark of liberty is extinguished, it will not soon be rekindled, and in the future all men will live under the varying forms of tyranny which have been the lot of most throughout man's past.

If we harbor any doubts as to whether our values are worth defending, others do not. The world over, men of different cultures, with different histories, fight and die to achieve what we have. Western values represent, as Abraham Lincoln once said of his own country, mankind's last best hope. The worth of what we have to offer is universally recognized. Freedom can remain on offer, however, only so long as we ourselves possess it, are willing to fight to preserve it, and to encourage others who grasp for it. ■

Situation in Poland

DEPARTMENT STATEMENT, FEB. 22, 1982¹

The draft plan for reorganizing Polish trade unions published by the Warsaw government on February 21 is a matter of great importance for Poland's future. We, like all those who hope for a return to dialogue in Poland, will be carefully watching the government's handling of this matter.

In the past, the Warsaw government has stated that it intends to reopen a dialogue with the church and Solidarity. There is no more appropriate subject for discussion among the various elements in Poland than the future structure and role of trade unions. A failure by the government to permit Solidarity leaders to play a meaningful role in the national debate on this question would remove all doubt concerning the government's real intentions.

DEPARTMENT STATEMENT, FEB. 23, 1982¹

The report of the Polish press agency that the Polish Government is trying Leszek Moczulski and four other members of the tiny Confederation of Independent Poland for their political activities and the attack carried in the Polish media against Lech Walesa [leader of the Solidarity labor movement] unfortunately suggest a continuing failure of the Polish military regime to recognize the obvious need for genuine reconciliation of all social and political forces in Poland.

Our concern is heightened by the fact that these actions come only 1 day after the Warsaw government issued a draft plan for reorganizing Polish trade unions which left the role which Solidarity will play in the national debate unclear. Contrary to Gen. Jaruzelski's promises of return to "renewal," the Polish Government appears to be moving toward increased repression.

DEPARTMENT STATEMENT, FEB. 25, 1982¹

Despite the promises he made in his Christmas Eve speech, Premier Jaruzelski's remarks yesterday indicate that he has still not come up with a meaningful plan for restoring Poland's political and economic stability. His only

apparent plan for the future is to continue martial law.

Furthermore, his intemperate attempt to blame the United States for a continuation of martial law is not only absurd, it indicates that the General has been forced to look for a scapegoat to help explain the junta's inability to attain even a modicum of acceptance on the part of the Polish populace.

DEPARTMENT STATEMENT, MAR. 4, 1982¹

We note the Polish Ministry of Interior directive permitting the several thousand Poles, who have been held as political prisoners since December 13, to apply with their families for passports for emigration from Poland. We find this a cynical and deplorable move which, in effect, offers the prisoners—which the Polish Government persists in referring to as detainees—the choice of continued imprisonment without being formally charged with any criminal act or of permanent exile from the homeland and people they sought to serve by espousing greater democracy, social and political justice, and regard for human rights.

The net effect is forced deprivation of citizenship, expulsion from their native country, and permanent exile—all without due process—which constitutes a clear and egregious violation of human rights provided for by the Helsinki accords which Poland signed. This is a glaring admission of the Polish regime's inability to meet the democratic aspirations of the vast majority of the Polish people.

Our view remains that Poland's crisis can be addressed only through release of the prisoners and the establishment of a genuine dialogue among the authorities, church, and the Solidarity trade union movement. In any case, we doubt that a policy of forced emigration of critics would succeed, given the fact that the overwhelming majority of the Polish people oppose martial law.

¹Read to news correspondents by Department spokesman Dean Fischer. ■

Human Rights Situation in El Salvador

by Elliott Abrams

Statement before the Senate Foreign Relations Committee on February 8, 1982. Mr. Abrams is Assistant Secretary for Human Rights and Humanitarian Affairs.¹

I welcome this opportunity to appear before you today to discuss the human rights situation in El Salvador.

When I last appeared before the committee in November, I stated that two principles would guide my efforts in promoting respect for human rights and the expansion of liberty. First, I said we must tell the truth; and second, I said we must try to be effective in our policies.

Last week the Department of State submitted the annual *Country Reports on Human Rights Practices for 1981* around the world². This is the fifth time the Department has submitted such a review. I believe this year's submission meets the test of candor and honesty, not only in the case of countries with political and ideological systems we abhor, but also in the cases of traditionally friendly countries, like El Salvador, where the population is under attack by violence and counterviolence.

The report we have submitted on El Salvador describes the good and bad conduct of a beleaguered government—a government at war. It documents that human rights violations of a most serious kind continue. It says, for example, that: "Human rights violation were frequent." It says that "some security forces personnel participated" in the violence. It notes that civilian deaths may have ranged from 6,000 to 12,000. I could go on. We know that many innocent civilians have been murdered by the left; we know that many have been murdered by the right and the military. Anyone who studies the conditions of life in El Salvador comes away sick at heart. So how, then, can American policy be justified on human rights grounds? How could we make the certification of progress?

Certification of Progress

As I noted before, El Salvador is a country virtually at war—both with its

history and with those who would trade on that history to abort historic reforms.

El Salvador is a country with little tradition of moderate democratic, reformist politics but with a long history of poverty, repression, military rule, violence, and fear. Today two efforts are under way simultaneously. Emboldened by the support and strengthened by the weapons of the Soviet Union, Cuba, and Nicaragua, the extreme left is seeking power through guerrilla action. Meanwhile, the Duarte government is engaged in a historic effort:

- To lay the basis for a truly representative system of government in a country where no such system has ever existed;
- To introduce revolutionary social and economic reforms vehemently opposed by elements of the old order and by insurgents who accept change only on their own terms;
- To combat an insurgency supported by outside forces whose record in respecting basic human rights in their own countries is atrocious; and
- To bring about central control of the armed and security forces and control violence.

This is why we supported the Duarte government. As I said, human rights abuses continue. This is a matter of most serious concern to us. Our objective is to do everything in our power to help improve this situation.

I can assure you that our efforts, both public and private, on behalf of human rights will continue. We are disturbed about the violations of human rights, particularly the incidence of violence, as is the present government. There is disagreement over the actual numbers involved. In our human rights report we indicate this. Our conclusions about the declining rate of violence is an honest one. It has not been manufactured for this certification. Our embassy's data base and sources for the data have not changed since September 1980 when it first began reporting weekly statistics on the incidence of violence.

Recently several organizations have issued reports on the human rights situation in El Salvador, and in some cases—not all—their conclusions differ from ours. These differences are in part, I think, explained by the fact that we

try to look at all the violence, including that from the left. Others sometimes focus on government or rightist activity without equal attention to left-wing human rights abuses. Further, our report covers all of 1981. Others have emphasized early 1981, so that trends to which we point would be obscured. Taken together, these two flaws make some of the reports on the human rights situation in El Salvador unreliable.

Progress has been made. We cannot be satisfied until the killing has stopped but we firmly believe the trend is a positive one. We want to encourage this trend. In assessing human rights conditions in El Salvador we, of course, consider the evaluations of other organizations. Our embassy in San Salvador has maintained frequent exchanges with political and government leaders, the church, trade unions, *campesinos*, and community leaders. Based on these broad contacts, the embassy's analysis, and ours, is that El Salvador "is making a concerted effort to comply with internationally recognized human rights." Clearly, as recent events have shown, much more progress needs to be made. But I believe that our determination is justified given the present context, the previous regime's record on human rights, and the possible alternatives to the Duarte government with all its flaws.

U.S. Pressure for Continued Improvement

I believe this brings us to the question of effectiveness. Recognition of human rights is the basis of any government's legitimacy. This is why we continue to press the Government of El Salvador for human rights improvements and why we favor elections.

Many people urge us, and urge you, to abandon our policy. During my first 2 months as head of the Bureau of Human Rights and Humanitarian Affairs, I have talked with people across the political spectrum here and in Europe—from U.S. military commanders, to peace movement activists in Flanders. One approach which some urge is total disengagement from any government which commits human rights abuses. This has the immediate advantage of distancing ourselves from the abusers. We just walk away. It looks easy, and it looks like a quick, low-cost option.

I cannot more strongly urge upon you that such a policy would eliminate any possibility of democracy and reform in El Salvador.

What would happen? Clearly, the level of violence would increase, as the insurgents sensed the chance of victory and stepped up their attacks, while the military was driven into a siege mentality. Our own ability to influence the military, to counsel restraint with some success, would be entirely forfeited. The blood would flow at a vastly increased rate.

But those who urge that the United States abandon the Government of El Salvador also say—as they must—that the “other side” isn’t really so bad, so that their victory will not be a defeat for the cause of human rights. They equate the two sides, or even consider the opposition to be simply more authentic reformers. Those who urge that view must listen to the official voice of the insurgents, Radio Venceremos, which totally supports the Soviet Union and the Polish junta in suppressing human rights in Poland. Considering their models and their backers, two totalitarian states and one apparently engaged in the steady elimination of freedom, how can this surprise us? The opposition in El Salvador contains people ranging from Soviet-oriented Communists to reformers, but it is the former group which is in control and which would take power should the guerrillas win.

In Vietnam, in Nicaragua, in Iran, we were told that the government we supported was corrupt and oppressive and that the other side was the progressive side and would respect democracy. We were told that human rights would gain if the other side won. We now hear this argument again about El Salvador—indeed, in Europe it was known at me daily.

This is in my view blindness. How many times must we learn this lesson? How much I strongly urge upon you: that it is no part of human rights policy to allow the Duarte government to be replaced by a Communist dictatorship. To acquiesce in this, to withdraw our support from the Government of El Salvador at this junction, would make a mockery of our concern for human rights, for our goal is not purity; we do not live in Utopia. Our goal is effectiveness in a violent and bitterly divided area of the world. Once again, I would never argue that all those opposed to the regime are Communists. I do argue, however, that the extremists would take power, and a regime would emerge which would impose a Communist dictatorship.

There are real reformers in El Salvador, and we are supporting them

and their efforts. El Salvador has one chance to find the road to reform and democratization, and that is the Duarte government. We have to choose: shall we help—help achieve land reform, social reform, free elections—or shall we acquiesce in a guerrilla victory which will install a pro-Soviet regime and eliminate whatever chances there are for future progress in the field of human rights?

It is worth noting that this is not simply our analysis but that of every other democracy in the area.

The cost of our engagement in El Salvador is high. Abandoning El Salvador would bring human and moral costs that are, I would urge, much higher. It would eliminate the slightest promise of the eventual establishment of human rights in El Salvador.

Human Rights Situation in Nicaragua

by Elliott Abrams

*Statement before the Subcommittee on Western Hemisphere Affairs of the Senate Foreign Relations Committee on February 25, 1982. Mr. Abrams is Assistant Secretary for Human Rights and Humanitarian Affairs.*¹

The Sandinistas assumed power in Nicaragua in 1979 in an atmosphere of hope created by promises of democracy and justice and by relief at the end of a repressive regime. Shortly before assuming power, the Government of National Reconstruction had issued a communique promising to observe human rights, respect civil justice, and hold Nicaragua’s first free election in many decades. Since then, we have witnessed the dashing of these hopes by the steady erosion of freedom, the silencing of those who disagree with the Sandinistas, the establishment of alliances with the Soviet bloc, and, recently, brutal attacks on previously unmolested Indians. Nicaragua, which many had hoped would become a shining example for others of progressive democratic change, instead has been transformed into a repressive, threatening Marxist-Leninist oligarchy and a base for violent attacks upon other states in Central America, possessing an army far more

The outcome in El Salvador will depend both on the government’s ability to control the insurgency and on the progress it is able to make in maintaining and broadening popular support. We believe it is clearly in our national interest that these efforts succeed. In unbelievably bad conditions, there has been a beginning of progress. Let us encourage, and assist, more. That, in my view, is the only effective human rights policy we can have in El Salvador today.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

²This 1,142-page report is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, for \$13.00 per copy. ■

powerful than the legitimate defense interests of Nicaragua can possibly justify.

Basic Rights Curtailed

The process of the destruction of pluralism, freedom, and justice in Nicaragua has been gradual, cumulative, and relentless. After promising elections, the government announced soon after it took power that they would be postponed until 1985. The Defense Minister declared that there was no need for elections because the people had “voted” during the revolution. The multiparty Council of State, established after the creation of the regime, has been packed with Sandinistas and relegated to an inconsequential role. Political expression has been gravely limited for those who disagree with the Marxist oligarchy. One unarmed opposition leader was murdered by government security forces. Opposition party rallies have been canceled and mobs used to ransack government opponents’ offices. Travel of independent party leaders has been blocked. Private sector leaders; Mr. Fagoth, the leader of the Indian Federation; and others disagreeing with the regime have been arrested.

The Sandinistas have proceeded methodically to restrict freedom of the press and freedom of speech, perhaps the most essential steps in the establish-

ment of a totalitarian regime. They have repeatedly invaded and closed *La Prensa*, a newspaper which criticizes the regime—as it criticized the Somoza regime—and speaks out for freedom. They have banned critical news programs and even masses said by Archbishop Obando y Bravo from independent radio stations. They have forbidden radio reports on national security, sensitive economic issues, and activities on the east coast.

The Sandinistas have severely curtailed their citizens' economic rights. In September 1981 they eliminated the right to strike and prohibited the communication of views that might lead to change in salaries or prices.

In order to illustrate how this gradual process of repression works, let us observe what happened in just 1 month, January 1982.

- Early January: The news programs *El Momento* of Radio Mundial and *La Opinion* of Radio Mil were forced off the air "indefinitely," charged with being "antipatriotic" and with violating the law by broadcasting "misinformation and lies."

- January 13: The Minister of the Interior ordered indefinite suspension of two independent radio news programs, the "Free Press" on Radio Catolica and the "Fourth Power" on Radio Mil.

- January 13: A mob of government supporters attacked the offices of the opposition independent newspaper *La Prensa* and three people were shot. There is some dispute as to the source of the gunfire. The government closed *La Prensa* for 2 days following the incident, the sixth shutdown since the Sandinista government took power in July 1979. The demonstrators also defaced the homes of *La Prensa's* editors Jaime Chamorro Barrios and Pedro Joaquin Chamorro. State security troops occupied *La Prensa* for 2 days before allowing it to resume publication.

- January 17: The government closed indefinitely Radio Amor after it reported that its owner was beaten for broadcasting the text of a Venezuelan Government communique denying charges by the Nicaraguan Government that employees of the Venezuelan Embassy were involved in a plot to sabotage two industrial facilities. The government said the broadcast was an "attempt to damage friendly relations between the two countries."

- January 25: The Sandinistas announced travel restrictions to the east coast area of Nicaragua, effectively banning investigation of its actions in

that zone. Reports indicated that the Miskito Indians had been forcibly resettled away from the border. Thousands have fled into Honduras to escape government repression.

- January 28: A last minute police intervention forced cancellation of a planned Conservative Democratic Party (PCD) rally in Masatepe, Carazo, on January 31. The PCD maintains that neither prior police permission nor inspection of rally facilities is required by existing laws and that Interior Ministry intervention is a violation of fundamental political rights.

- January 31: Two Polish Solidarity union leaders, in exile, were refused entry visas to Nicaragua. They had earlier met with the heads of state of Venezuela, Panama, and Costa Rica.

- At the end of the month, the leaders of the private business council—Consejo Superior de la Empresa Privada (COSEP)—arrested in October 1981, were still in prison. Accused of and tried for antigovernment activities—the publication of a document critical of government policies—they were given substantial prison sentences despite protests from a wide spectrum of international business and human rights groups. They were finally released in mid-February due to international pressure.

The Soviet Influence

Despite rhetoric about "nonalignment," the Sandinistas have moved ever closer to the Soviet bloc in the international arena. Cuban advisers are serving in key posts throughout the government, and a total of about 6,000 such advisers are currently in the country, including 1,800–2,000 military advisers. Advisers from East Germany, Bulgaria, North Korea, and the U.S.S.R. are now in Nicaragua; and substantial support has been given to leftist guerrillas in El Salvador. While proclaiming itself to be nonaligned, the government's actions speak louder than its words. For example, the Nicaraguan Government joined with the Soviet bloc in a letter to the chairman of the U.N. Human Rights Commission regarding Kampuchea. Nicaragua's cosigners included Bulgaria, Byelorussia, Cuba, Czechoslovakia, South Yemen, Ethiopia, East Germany, Hungary, Mongolia, Poland, Ukraine, U.S.S.R., and Vietnam. Moreover, PLO [Palestine Liberation Organization] leader Yasir Arafat publicly stated last January that Palestinian guerrillas are serving as pilots in Nicaragua.

A variety of groups independent of the U.S. Government have voiced alarm about the actions of the Sandinistas. On February 17, the Socialist International warned Sandinista leaders that it will withdraw its support if they lead the nation into a totalitarian dictatorship. A Socialist International leader from Latin America said that displeasure and disappointment over the course taken by the Sandinista revolution prevails among Socialist International leaders. He asked the Sandinistas to honor their commitment to keep to revolution within a pluralist framework and stated that any move toward totalitarianism and dictatorship will cause the Socialist International to withdraw its support. He also said the great emphasis given by the Sandinistas to the support they receive from Cuba greatly concerns most Latin American leaders of the Socialist International.

Attacks on Civilians

While all of the Sandinistas' repressive actions are of deep concern to us, by far the most disturbing are its barbaric attacks upon the Miskito, Sumo, and Rama Indians. Using the transparent and flimsy excuse of "development plans" and an alleged desire to integrate the Miskitos into the rest of society, the Sandinistas have viciously attacked these Indian tribes, killing many. Dozens of villages have been destroyed, and thousands of the Indians have been uprooted and forcibly driven to other parts of the country. This appalling assault has yet to receive the attention it merits. The fate of the Miskito is important as a grave human rights problem and in addition for what it tells us about the kind of people the Sandinistas are and the kind of society they seek to build.

After initiating a variety of offensive actions against the Miskitos, including the refusal to permit instruction in local language and the imposition of Cuban instructors attempting to indoctrinate the Miskitos in Marxism-Leninism, the Sandinistas have attacked and burned many Indian villages since clashes with exile groups along the Honduran border increased in mid-December. Eyewitness accounts from reliable sources agree that the Sandinista army attacked as many as 20 Indian settlements along the Honduran-Nicaraguan border (the Rio Coco) and others in northeastern Nicaragua. Refugees frequently mention Leimus as the scene of heavy fighting between Indians and Sandinista military

forces. There are allegations that Sandinista soldiers buried alive badly injured Indians.

Eight Indian villages have been burned down along a 30-kilometer stretch of the Rio Coco since January 1. Seven of these villages (each consisting of about 25 structures) were totally destroyed, and one village was partially destroyed. Some 70 structures along the border between the villages have also been burned.

Aerial attacks against civilians by Sandinista military units have also occurred during military engagements with exile groups near the towns of Sandy Bay and Prinzapolka away from the border. The Sandinista military has blocked shipments of food and medicine into the area, arguing that this aid might be diverted to exile groups. Several thousand Indians have been forcibly resettled in camps away from the border near the mining town of La Rosita. Further to the south, in Puerto Cabezas, over 60 Indians who were suspected of collaborating with the exile groups have been held prisoner since at least late December.

As a result of the attacks and forced resettlement thousands of Indians have fled to Honduras. A U.S. Embassy officer reported on January 6 that the population of the refugee camp in Mocerón had grown from 175 to 1,700 since mid-December. By February 10, the camp contained 4,800 refugees, and the total refugee population in Honduras had reached about 7,500.

The Nicaraguan authorities have gone to great lengths since mid-December to restrict travel to and information about military activities on the east coast, suggesting they have something to hide. The government:

- Notified the U.S. Embassy in Managua on January 25 that travel to the east coast would not be allowed for "security reasons" without permission of the Ministry of the Interior. Our embassy has been unable to obtain such permission;
- On December 30 took over the independent radio station Radio Ver on the east coast;
- Ordered a blackout of all news from Nicaragua's east coast on December 30;
- Suspended temporarily five news programs in early January for allegedly reporting "false information" about a Nicaraguan incursion into Honduras; and
- Restricted travel between east coast villages in early January.

I want to call to your attention what President Reagan said yesterday.

The Nicaraguan Government even admits the forced relocation of about 8,500 Miskito Indians, and we have clear evidence that since late 1981 many Indian communities have been burned to the ground and men, women, and children killed.

The government disingenuously explained that the resettlement effort—which they claimed had long been underway—was aimed at improving living conditions for the Indians and removing them from the scene of the fighting.

The Roman Catholic Church in Nicaragua has vigorously condemned the oppression of the Indians. The communique of the Nicaraguan Episcopal conference issued on February 18, 1982, stated in part:

[W]e wish to remind everyone that there are inalienable rights that under no circumstances can be violated and we must state, with painful surprise, that in certain concrete cases there have been grave violations of the human rights of individuals, families, and entire populations of peoples. These include:

- Relocations of individuals by military operations without warning and without conscientious dialogue;
- Forced marches, carried out without sufficient consideration for the weak, aged, women, and children;
- Charges or accusations of collaboration with the counterrevolution against all residents of certain towns;
- The destruction of houses, belongings, and domestic animals; and

- The deaths of individuals in circumstances that, to our great sorrow, remind us of the drama of other peoples of the region.

On February 22, Freedom House issued a report on the Sandinistas' attacks upon the Miskito Indians. The report describes:

- Forced mass evacuation of Indian communities, 20 villages emptied, five fire-bombed, and many Indians placed in "protected" hamlets;
- Burial alive of 15 Indians whose names are given by eyewitnesses;
- Imprisonment or expulsion of clergy and Indian leaders; and
- Destruction of Indians' economic and political as well as religious institutions.

Freedom House has appealed to human rights agencies of the United Nations and the OAS to investigate the status of the Indians in Nicaragua and the possibility of genocide.

The Sandinista Minister of Interior justified this repression in a speech on February 21. He described the Miskito Indians as "victims of a backwardness that has been used by the enemies of Nicaragua. In the face of the efforts to divide Nicaragua, it is necessary to carry out measures that will unite the two regions." To quote the Duke of Wellington, if you believe that, you will believe anything.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Country Reports on Human Rights Practices

Following is the introduction from Country Reports on Human Rights Practices for 1981, which was prepared by the Department of State and submitted to the House Foreign Affairs Committee and the Senate Foreign Relations Committee in February 1982.

This report is submitted to the Congress by the Department of State in compliance with Section 116(d)(1) and 502B(b) of the Foreign Assistance Act 1961, as amended.¹

The report draws on information furnished by United States Missions abroad, Congressional studies, non-governmental organizations, and human rights bodies of international organiza-

tions.² Conditions in most countries are described up to the end of 1981; for a few countries, significant developments occurring during the first weeks of 1982 also are included.

A list of twelve international human rights covenants and agreements is included as an Appendix to this report, along with a listing of the parties to those agreements. Internationally recognized human rights can be grouped into broad categories:

- first, the right to be free from governmental violations of the integrity of the person—violations such as torture, cruel, inhuman or degrading treatment or punishment; arbitrary arrest or

imprisonment; denial of fair public trial; and invasion of the home;

- second, the right to enjoy civil and political liberties, including freedom of speech, press, religion and assembly; the right to participate in government; the right to travel freely within and outside one's own country; the right to be free from discrimination based on race or sex.

The organization of the report follows these two basic categories. After an introduction, the description of conditions in each country is divided into two sections which correspond to these two categories of rights. A third section describes the government's attitude toward outside investigations of internal human rights conditions, while a fourth section discusses general economic and social conditions in the country. An objective of the latter section is to provide, to the extent possible, comparable statistical data covering such matters as the population growth rate, life expectancy at birth, infant mortality, per capita annual gross national product (in US dollars), the adult literacy rate, the ratio of students enrolled in primary schools, the percentage of persons having access to safe water, and the percentage of the population considered to live below the absolute poverty level.³

Each report is then followed by statistical tables, where relevant, listing the amounts of United States bilateral assistance and multilateral development assistance for fiscal year 1979, 1980 and 1981.⁴

Regional and International Institutions for the Protection of Human Rights

During the past year the U.S. has taken the lead in opposing in international fora the double standard applied to human rights violations, and has worked toward encouraging a more regional approach to solving international human rights concerns.

The 37th (1981) session of the United Nations Human Rights Commission (HRC) met in Geneva scarcely less than two weeks after the Inauguration.

The U.S. delegation used the opportunity of the HRC session to express the abiding commitment of the United States to fundamental human rights. The delegation continually emphasized the need to deal with human rights concerns in an evenhanded way and stressed that the United States was particularly concerned that Latin American countries supportive of the West were

being singled out for condemnation while equal or greater violations of human rights in Eastern Europe, the Soviet Union and Cuba went virtually unnoticed. The United States insisted that international bodies entrusted with protecting human rights judge human rights performance by a single standard. While the delegation, at this meeting alone, could not accomplish this objective, which would represent a profound change in the political culture of the HRC, it was encouraging that the HRC condemned foreign intervention in Afghanistan and in Kampuchea, and the flagrant violation of the human rights of the Khmer people.

Furthermore, the Human Rights Commission reached agreement on the draft Declaration on the Elimination of All Forms of Intolerance and of Discrimination Based on Religion or Belief, which had been twenty years in the making. The Commission's action completed an important step toward international recognition of religious freedom as a basic human right.

Many of these problems appeared during the 36th session of the United Nations General Assembly: a double standard which focuses solely on certain countries, almost ignoring the violations of human rights in Communist lands, partisan treatment of issues where common decency could be expected to guide national positions and an atmosphere in which those who would ordinarily resist such distortions felt it futile to do so.

The General Assembly's Third Committee (Social and Humanitarian Affairs) voted on issues regarding, among others, racial discrimination, misuse of psychiatric institutions and human rights in El Salvador, Chile and Guatemala. Although the Declaration on the Elimination of All Forms of Religious Intolerance was the most significant resolution adopted by the Third Committee, in other areas our efforts served primarily to limit damage and to provide a forum for articulating the beliefs of the Administration, including emphasis on the hypocrisy of current double standards, discrimination against Latin American countries and indifference to violations by the Soviet Union and its Communist allies.

It was particularly significant at this session that many countries in Latin America began to perceive the impact of the current imbalance and seemed more inclined to move toward regional solutions to problems rather than suffer under the sharp light of discriminatory focus. The vote on El Salvador was one example; those who abstained or voted

against the resolution outnumbered those who sought to charge that country with gross violations of human rights. We hope to move further in the coming year toward encouraging greater impartiality in evaluating human rights conditions in Latin America, and toward greater regional consciousness and responsiveness to regional problems.

U.S. efforts in the coming year in international and regional bodies will focus on a heightened international consciousness of human rights concerns in which there is implicit recognition of equity and consistency as underlying themes.

The Madrid meeting of the Conference on Security and Cooperation in Europe (CSCE) continued intermittently throughout 1981 in an attempt to reach agreement on a final document which would reflect the need for substantial steps forward in human rights, including full Soviet and East European implementation of the 1975 Helsinki Final Act. In addition, the U.S. and other Western states used Madrid to raise many individual human rights cases. Delegates from the Soviet Union and some Eastern European countries consistently opposed important Western proposals on human rights and criticized the West for its human rights emphasis. The Madrid meeting recessed in December 1981 at an impasse over human rights and other issues in the military field. The recent suppression of the Solidarity labor movement in Poland constitutes a massive violation of the Final Act further damaging the work of the Madrid conference. The Madrid meeting is to resume in February 1982; the West plans to raise the damaging effects of repression in Poland.

In 1981, the European Commission on Human Rights and the European Court of Human Rights continued to hear and decide on cases involving violations of human rights in the 21 countries which are members of the Council of Europe. The Commission registered approximately 400 individual cases for examination during the year. Spain and France joined the list of more than a dozen member countries which permit their citizens to appeal directly to the Commission when they believe their basic rights have been infringed. Council of Europe member states regard European Court of Human Rights judgments as binding and generally seek to make amends in accordance with the Court's rulings. While neither the Court nor the Council of Europe is empowered to enforce the Court's rulings, member countries' voluntary acceptance of its findings demonstrates that the Court

xerts a positive influence on human rights issues in Europe.

The Inter-American Commission on Human Rights (IAHRC) was established in 1960 with its primary function being to promote the observance and protection of human rights and to serve as a consultative organ for the Organization of American States (OAS).

The IAHRC approves definitive reports on the situation regarding human rights in various Latin American nations and prepares the annual report which is presented to the OAS General Assembly. It also considers certain individual cases submitted for the Commission's review.

The Organization of African Unity Assembly of Heads of State and Government meeting in Nairobi at the end of June, 1981, approved the Charter of Human and People's Rights which was drafted the previous year. The Charter will come into force upon ratification by simple majority of the member states.

The Problem of Human Rights

"Human Rights" is today the term with which most of those yearning for justice and for relief from oppression voice their hopes. Today, the cause of human rights exists throughout the world and expresses the longings and convictions of millions of men and women. But we must understand that it is a cause with recent origin and short history.

The moral principles we call human rights incorporate maxims of justice of every epoch and every culture. The specific concern for human rights as we understand them, however, has not existed throughout human history. It originated as a set of demands in seventeenth century England, and was first embodied in political institutions in the United States, after 1776. Older moral codes and philosophies laid primary emphasis not on rights, but on duties. These codes characteristically took the form of a series of prohibitions, rather than a list of freedoms—such as freedom of religion and freedom of assembly—which the individual was justified in demanding from government.

The first historical event of the modern era driven by the belief in individual rights was the American Revolution of 1776. And the original understanding of the meaning of human rights was clearly expressed in the American Declaration of Independence. The Declaration asserted that human rights could not be created or abrogated by any human enactment, whether of

one government or of an international body, because they were based on "the laws of nature and of nature's God," on truths which are "self-evident." Thus it was confidently stated that "all men are created equal, that they are endowed by their creator with certain inalienable rights."

When the authors of the Declaration called these rights "inalienable," they implied that rights should not depend

A continuing problem for human rights policy is the fact that it traditionally aims at affecting the domestic behavior of other countries, while governments are reluctant to alter their nation's political systems for foreign policy reasons.

upon the prior performance of certain duties by the citizen or be postponed until any other group of "rights" was achieved. The original enumeration of human rights in the Declaration of Independence thus did not include anything that could only be gained gradually, such as economic development.

The rights the Declaration asserted covered only part of justice as it was understood in earlier moral codes, and supplied only some of the goods men normally desired. As examples of inalienable rights, the Declaration gave "life, liberty, and the pursuit of happiness." Rights were considered to enable individuals to pursue happiness freely, but not to supply happiness itself. For a government to insist it could define and supply happiness itself would take away men's right to liberty.

The intention of the originators of human rights, then, seems to have been to select from the vast range of things that men need or want, certain crucial things that they are entitled to by their very nature—*human* rights—which, when fulfilled, will create the preconditions for the satisfaction of other needs.

These preconditions are created, in this understanding, by an economic system that enables individuals to engage freely in various approaches to the "pursuit of happiness," and by a political system of liberty, in which men participate in choosing the laws and the officials that govern them. Such a system was understood as the likeliest source of the other rights, and the Declaration of Independence asserts:

That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed.

In other words individuals do not owe their humanity to the community, as earlier philosophies often argued; the community owes its whole legitimacy to the individuals, whose existence is prior to it.

The original demand for human rights seems utopian in the face of conditions experienced by many nations today. But when this demand arose—in a world where there was not even *one* state under wholly democratic government, and the few republics existing did not recognize the principles of inalienable rights—it appeared infinitely more visionary and unrealistic.

Yet the human rights movement in world politics proved to be unbelievably successful after 1776. It is to this historical movement that democratic countries owe their possession of rights, and because of it that other peoples express their yearnings for justice as a demand for rights. It created the situation we have today, in which nearly every regime, no matter how narrowly based or despotic, refers to the people as the source of its legitimacy and has a constitution that provides for a representative assembly and for elections, no matter how meaningless.

Unfortunately, the widespread longing for rights in the contemporary world confronts a real lack of consensus on these rights. Many governments fear individual liberty; many others do not even accept the original and distinctive intellectual foundations of the belief in human rights. Those opposing the human rights movement find themselves in a world already shaped by it, and they are compelled to fight on *its* ground, using the terminology of democracy. (This explains the great number of so-called "peoples' democracies" today that are not democratic in any normal sense.) In 1776 those who practiced slavery or absolute monarchy admitted it openly; now they draw around themselves the names of freedom. A nominal consensus

on human rights thus hides the reservations of leaders who remain more comfortable with the ancient priority of duties over rights, and of rulers who simply find it inconvenient or threatening to respect their subjects' rights. For such people there is a great temptation to legitimize their own interests by broadening the basic concept of rights to include these interests—thus allowing some to claim, for example, that duty to authority is a special kind of right and others to claim that certain theoretically desirable rights cannot be afforded at their country's stage of development.

This leads to increasing uncertainty as to what desirable things really are rights. This uncertainty has been encouraged by some new interpretations of social and economic rights, such as the newly minted concept of the "right to development." The urgency and moral seriousness of the need to eliminate starvation and poverty from the world are unquestionable, and continue to motivate large American foreign aid efforts. However, the idea of economic and social rights is easily abused by repressive governments which claim that they promote human rights even though they deny their citizens the basic rights to the integrity of the person, as well as civil and political rights. This justification for repression has in fact been extensively used. No category of rights should be allowed to become an excuse for the denial of other rights. For this reason, the term economic and social rights is, for the most part, not used in this year's Reports. A section on Economic and Social Circumstances is included because of the moral imperative of conquering poverty and since an understanding of these circumstances is useful in appreciating the conditions under which the struggle for political and civil liberties is carried on in a particular country. Moreover, the legislative history of the statute which requires the annual Reports made clear that governments' commitment to fulfillment of the basic needs of the people was to be a factor in consideration by the Congress of foreign assistance proposals.

Human Rights in International Relations

How to embody the fundamental principles of democratic societies—human rights—in foreign policy has become an especially pressing question for the United States. Because Americans are of many faiths and ethnic heritages, the national identity of the United States is more constituted by its political prin-

ciples than is that of any other powerful nation. The United States had fought its bloodiest war not for territory but to free the slaves. In fact the United States, protected from the harsh necessities of foreign policy by two great oceans, only entered world politics in a serious way when impelled to do so by its sense that freedom was threatened. The three times when the United States recommitted itself to active involvement with the outside world—whether in wars for the liberty of Europe or in the Marshall plan—it has done so because it felt called by the defense of human rights.

The attempt to make foreign policy serve human rights confronts several specific problems that must be faced in developing a policy.

A continuing problem for human rights policy is the fact that it traditionally aims at affecting the domestic behavior of other countries, while governments are reluctant to alter their nation's political system for foreign policy reasons. The leverage that the United States does have is strongest in friendly countries, where we have more access and more influence. Such influence is an important resource in pursuing human rights, but its concentration in friendly countries creates a danger: human rights policy might highlight and punish human rights violations in friendly countries, while giving unfriendly countries immunity. If this took place it would not fairly represent the distribution of human rights abuses in the world. Moreover, a nation that came to display a general pattern of undermining or estranging friendly governments would obviously limit its future influence over them, including its influence over their human rights behavior. This is a second problem of human rights—the need to avoid pressing only where our influence is greatest rather than where the abuses are greatest.

There is a danger that human rights policy will become like the labor of Sisyphus because it deals only with effects and not with their causes. To take an example, it is important not only to free political prisoners, but also to encourage conditions in which new political prisoners are not taken. Many, although not all, of the things we consider rights are difficult to implant in adverse conditions. This fact creates the danger that by aiming at too much we will not get what is really possible. The founders of the Weimar Republic, by aiming at a democracy stripped of all the authoritarian features of imperial Germany, created a system so fragile that it was

overwhelmed by something wholly barbaric in only fourteen years. On the other hand, there still exist in many areas of the world indigenous tradition of decency that coincide in part with the human rights tradition. The best hope for creating the preconditions of effective human rights observance may sometimes lie in working on the basis of these traditions.

For all these reasons, a human rights policy, unless it is very carefully constructed, runs the danger of being ineffective. And if it is ineffective it can also be counterproductive, creating additional resistance to improvement in human rights. It can embitter bilateral relations with other countries, increasing international tension.

Efforts for human rights in the years before 1914 had the advantage that most of the major powers respected, at least in principle, the same conception of human rights. If their practice often failed to live up to their principles, there was a perceived legitimacy to the principles that caused each of these countries to develop in the direction of greater equality before the law and more and more scrupulous adherence to human rights. Because of the fundamental consensus on human rights issues, the great powers that diverged most in practice from the international consensus, such as imperial Russia, did not try to export an alternative ideology.

The fundamental consensus on human rights was broken after World War I by the emergence of totalitarian regimes among the major powers. These political systems were visibly founded in opposition to the way of life of the increasingly democratic Western world. They rejected in principle the ideas upon which were based the great movement for human rights after the American and French revolutions.

The world after 1945 has been characterized by competition between two adverse ideologies, one represented by the United States and one by the Soviet Union. The United States is the nation that has most vigorously undertaken the effort to make human rights a specific part of its foreign policy. The Soviet Union, on the other hand, is ruled by a very small elite through a massive bureaucratic and police apparatus. Its regime inherits in a modified form the Marxist tradition that reacted against the philosophic ideas on which the original human rights concept was based, and superimposes this on a heritage of absolute monarchy. In contrast to the Western democracies, whose

original human rights principles gradually radicalized themselves, producing a greater and greater transformation of social life, the alternative Marxist conception of justice in the USSR was soon withered by tactical compromises with the necessities of absolute rule.

The effect of Soviet foreign policy has not been to encourage human rights. The Soviet Union dominates, without their consent, not only the non-Russian peoples of the former Czarist empire, but also the nations of Eastern Europe. The efforts of the people of East Germany, Hungary, Czechoslovakia and Poland to create freer and more pluralist systems have all been frustrated by Soviet intervention or pressure. In 1979 the Soviet army invaded Afghanistan to impose a government unacceptable to the overwhelming majority of the Afghan people. In the developing countries, the Soviet Union has a tendency to use its influence to move governments toward political structures of the Soviet type where possible. For example, in Ethiopia, whose government is a friend of the Soviet Union, there has been persistent Soviet pressure to create a communist party on the Soviet model. Thus a world in which several major powers were in theoretical agreement over human rights has given way to a world in which the two greatest powers are fundamentally divided over this issue.

United States Human Rights Policy

This is the complex setting in which U.S. human rights policy must be constructed. The concern for human rights has been a constant theme throughout American history. The United States was its formation as a nation to the love of liberty; it owes its continuing as a united nation, in the crisis over slavery, to the desire to extend that freedom to those who did not enjoy it. Americans are right to see their national concern for justice as a strength that intelligent foreign policy should build on, rather than as a defect to overcome. In fact, every recent U.S. administration has seen the advancement of freedom and justice, by one approach or another, as an important goal of foreign policy. There is thus a fundamental consensus among the American people on the aims of human rights policy; there is disagreement only about means of carrying out these ends. Here there is room for honest disagreement, because the problems faced in constructing an effective human rights policy have no simple or easy solution.

This Administration believes that human rights is an issue of central importance both to relieve suffering and injustice and to link foreign policy with the traditions of the American people.

But no nation can carry out an effective human rights policy unless it shows that its principles can make it successful and confident. The strength and prestige of the most powerful democratic nation is inevitably important for human rights.

The other side of this principle is that it is a significant service to the cause of human rights to limit the influence the USSR (together with its clients and proxies) can exert. A consistent and serious policy for human rights in the world must counter the USSR politically and bring Soviet bloc human rights violations to the attention of the world over and over again.

At the same time, the United States must continue to respond to serious human rights problems in friendly countries. U.S. human rights policy will not pursue a policy of selective indignation. Every act of torture or murder is equally repugnant to the American people, no matter who commits it. Of course, the means available to us to halt such human rights violations always vary with the specific case. Our specific response to human rights violations appropriately differs from country to country, but the intensity of our concern should not.

Since the United States will continue to seek the redress of human rights abuses even in friendly countries, human rights policy will sometimes be very troubling. We will sometimes be forced to make hard choices between the need to answer human rights violations and other foreign policy interests, such as trade or security. In some cases we will have to accept the fact that bilateral relations with a friendly country may be damaged because of our human rights concern. This is the unavoidable price of a consistent policy.

But a realistic policy must be alert not only to human rights violations by governments, but also to those by opposition groups. It should be obvious that murder, torture, the intimidation of free expression, interference with free elections, or attacks on the independence of the judiciary are equally reprehensible whether they are committed by a government or by a group attempting to replace or capture it.

Terrorist groups, whether of the left or right, usually display a distaste for democratic institutions and civil liberties. But regardless of terrorists' specific political aims, their activity erodes

democracy. The brutal tactics pursued by terrorists almost never bring them to power, but democracies find it difficult to cope with these tactics; terrorism creates a temptation to respond by a turn to authoritarian political structures. What terrorist movements have sometimes succeeded in doing, at the cost of great suffering, is to destroy democracy. Terrorism has an intrinsic tendency to corrode the very basis of human rights; accordingly, United States policy includes a serious effort to control it.

Building Freedom

It would narrow the range of action of our human rights policy excessively to limit it to responding to individual violations of human rights when they appear. This "reactive" aspect of human rights policy is essential. But it must be accompanied by a second track of positive policy with a bolder long-term aim: to assist the gradual emergence of free political systems. It is in such systems that we can most realistically expect the observance of human rights across the board. The development of liberty is, in turn, encouraged by the emergence of areas within a political system where free choice and free expression can become familiar and respected, even while they are not permitted in other parts of the political system. Among these areas where freedom can develop are labor unions, churches, independent judicial systems, bar associations and universities. Where we do not have leverage over the shape of an entire society, we can nourish the growth of freedom within such institutions.

Copies of the Report

Country Reports on Human Rights Practices for 1981 is a 1,142-page document prepared by the Department of State and submitted to the House Foreign Affairs Committee and the Senate Foreign Relations Committee in February 1982. It documents human rights practices in 47 countries in Africa, 32 in Central and South America, 21 in East Asia and the Pacific, 31 in Europe and North America, and 27 in the Near East, North Africa, and South Asia.

This report may be purchased for \$13.00 a copy from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Remittance must accompany order. ■

"Positive" policy of this kind will be aided by the genuine echo that the concept of human rights evokes around much of the world, and by the fact that no other conception of political justice has been able to win as much legitimacy over the last two hundred years. In aiding this movement, we will not be struggling alone, but assisting the most powerful current of history during the last 200 years. This Administration is committed to developing such a positive track of human rights policy.

The Congress has already established one human rights program on the "positive" side. Section 116(e) of the Foreign Assistance Act provides AID [Agency for International Development] funding for programs and activities which will encourage or promote increased adherence to civil and political rights in countries eligible for U.S. bilateral assistance. In FY 1981 AID obligated a total of \$1,512,000 for twenty-eight separate projects. Activities included the training of black magistrates, primary court officers and legal draftsmen in Zimbabwe, provision of legal and human rights materials in Zambia and travel of participants from developing nations to conferences and meetings on human rights issues. The United States Government also spent \$582,000 in FY 1981 in support of similar programs carried out by the Law and Human Rights Program of the Asia Foundation.

Present United States human rights policy gives special attention to encouraging major improvements in the observance of human rights over the long term. But it does not neglect the imperative of simply responding to the fact of suffering. The United States is a major haven for refugees and the major contributor to the work of the United Nations High Commissioner for Refugees, giving \$137.5 million in FY 1981, in addition to \$5 million donated to the Intergovernmental Committee for Migration. In FY 1981 the United States contributed just over \$13 million to the International Committee of the Red Cross for its programs on behalf of prisoners, missing persons and civilians in wartime. In FY 1981 the United States added a contribution of \$1.5 million for the ICRC's political detainee work, which we had not supported in FY 1980.

In the pursuit of its human rights policy the United States uses a wide range of instruments. Decisions on

foreign assistance provided by the United States take human rights conditions into account. The transfer of police and military equipment is carefully reviewed in order to avoid identifying the United States with violations of human rights. In addition, the human rights policy employs a varied mix of diplomatic tools: frank discussions with foreign officials; meetings with victims of human rights abuses; and, where private diplomacy is unavailing or unavailable, public statements of concern. These instruments are applied in a manner that takes into account a country's history, culture and current political environment, and recognizes that human rights concerns must be balanced with other fundamental interests. This Administration has used all of these instruments at one time or another during its first year.

In choosing among these instruments United States policy is guided primarily by the *criterion of effectiveness*, choosing the response that is most likely to actually improve human rights. In the majority of cases this criterion suggests an emphasis on traditional diplomacy. Traditional diplomacy maximizes the limited leverage we do

This Administration believes that human rights is an issue of central importance both to relieve suffering and injustice and to link foreign policy with the traditions of the American people.

possess, while minimizing counter-productive reactions, damage to bilateral relations, and international tension. Traditional diplomacy has the drawback of being least visible precisely where it is most successful. But this Administration is pledged to employ traditional diplomacy vigorously on behalf of human rights.

Our response to the suppression of human rights in Poland offers an example of the United States government's serious concern for human rights. The

initial repression of trade unions, and other rights, was raised in private diplomatic discussions with the Polish government. When the abuses continued, the United States denounced the proceedings of the Polish and Soviet governments publicly and sought support from other nations. Finally, we identified a wide range of sanctions against both the Polish government and the Soviet Union, since in this case the abuse of human rights was substantial due to pressure from an outside power. We implemented the mildest sanctions first, to show our concern and to back private representations with a credible demonstration that we would bring our political and economic resources into play in a manner calculated to be effective in this situation. We are now applying more effective sanctions demonstrating that violators of human rights on a similar scale would pay a price. Most important, the more substantial sanctions are calculated to develop concrete leverage that might influence the decisions the Polish and Soviet governments will have to make about whether to relax repression or to carry it through to the end.

Poland and other key human rights issues will be discussed and debated at the UN Human Rights Commission 198 session now underway, at the CSCE Madrid meeting beginning February 9 and at international meetings throughout the year. The United States will of course be vigorously represented.

Americans can be justly proud of their country's contributions to the cause of liberty today as over the decades. The Reagan Administration will maintain this historic commitment.

We in America are blessed with rights secured for us by the sacrifices of our forefathers, but we yearn for the day when all mankind can share in these blessings. Never is there any excuse for the violation of the fundamental rights of man—not at any time or in any place, not in rich countries or poor, not under any social, economic or political system.

President Ronald Reagan
Human Rights Day Proclamation
December 10, 1981

¹Section 116(d)(1) provides as follows:

"The Secretary of State shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate, by January 31 of each year, a full and complete report regarding—

Visit of Egyptian President Mubarak

"(1) the status of internationally recognized human rights, within the meaning of subsection (a) —

"(A) in countries that received assistance under this part, and

"(B) in all other foreign countries which are members of the United Nations and which are not otherwise the subject of a human rights report under this Act."

Section 502(B)(b) provides as follows:

"The Secretary of State shall transmit to Congress, as part of the presentation materials for security assistance programs proposed for each fiscal year, a full and complete report, prepared with the assistance of the Assistant Secretary for Human Rights and Humanitarian Affairs, with respect to practices regarding the observance of and respect for internationally recognized human rights in each country proposed as a recipient of security assistance."

²Human rights practices in the United States are treated in the report submitted to Congress by the Commission on Security and Cooperation in Europe entitled "Implementation of the Final Act of the Conference on Security and Cooperation in Europe: Findings and Recommendations Five Years After Helsinki," August 1, 1980. See also the reports submitted by the President of the United States to the Commission on Security and Cooperation in Europe on the Implementation of the Helsinki Final Act, December 1, 1980-May 31, 1981 and June 1, 1981-November 30, 1981. Private non-governmental human rights organizations also prepare reports on human rights practices in the United States.

³The statistics employed in the fourth section of each country report were drawn from sources at the International Bank for Reconstruction and Development, and from published materials from the country concerned. While every effort was made to obtain the latest and most accurate of such statistics available, it should be recognized that for many of the countries covered by this report only the most meager and unreliable, often outdated, statistical data is available. Accordingly, especially in the developing countries, these statistics should not be taken as affording a degree of reliability comparable to data available in the more developed countries.

⁴Fiscal years 1979 and 1980 are from the AID report "U.S. Overseas Loans and Grants and Assistance from International Organizations" (the Green Book). FY 1981 data for AID country programs are based on the AID Congressional Presentations. ■

President Mohamed Hosni Mubarak of the Arab Republic of Egypt made a state visit to the United States February 2-5, 1982, to meet with President Reagan and other government officials.

Following are remarks made at the welcoming ceremony on February 3 and on the departure of President Mubarak on February 4 and a statement of principles signed on February 4 by Fouad Iskandar, Egypt's Under Secretary of the Ministry of the Economy, and Bradshaw Langmaid, Jr., Acting Assistant Administrator for the Near East of the Agency for International Development.¹

WELCOMING CEREMONY, FEB. 3, 1982²

President Reagan

It's an honor and a pleasure to welcome you, Mr. President, Mrs. Mubarak, and those who accompanied you from Egypt.

Your visit today reaffirms our friendship, and all Americans thank you for that reaffirmation. Your visit and the current excellent relations between our two governments are testimony that the friendship between Egypt and the United States is more than a compact between individuals; it is a commitment between nations.

In your inaugural address to the Egyptian parliament, you told the parliament: "We are all sons of the same destiny and history." I believe that's true of all mankind as well. And today all good and decent people join in proclaiming that terrorists will not be permitted to determine the future of mankind.

There's much to discuss. Our talks will touch on issues of global, regional, and bilateral significance. We share a mutual concern as we observe the expansion of a totalitarian power based on an ideology that smothers freedom and independence and denies the existence of God. The people of Poland and Afghanistan now suffocate under the oppressive whim of this fearful master. Within the Mideast, this same power encourages hatred and conflict, hoping to take some advantage of instability.

The United States stands firmly with Egypt and other Mideastern nations concerned with regional security. As Secretary Haig emphasized on his recent visit, we have never sought a military, permanent presence, but we do ask and are grateful for mutually agreed

arrangements that will enhance the security of the nations in that region.

In an address last December, you stated that one of the characteristics of great nations is their ability to learn from history. But if history teaches us anything, it is that good people must cooperate if peace is to be maintained and if progress is to be made.

Over the last decade, the United States played a part in the peace process which has led to peace between Egypt and Israel. We are willing to continue in that role to seek a lasting peace in the Middle East between Israel and all its Arab neighbors. And Camp David, we believe, is a first step toward that goal. It has brought recognizable and measurable progress. As Israeli withdrawal from the Sinai takes place later this year, we must commit ourselves to push on. In a spirit of understanding, we must address the remaining issues in the negotiation for autonomy in the West Bank and Gaza and chart a course that will build upon that which has already been accomplished.

Others should be brought into the Camp David process, because no matter how long and arduous, it offers the best opportunity for tangible results. In the months ahead, we must maintain our flexibility, yet never lose sight of the goal of establishing a lasting and comprehensive peace that will provide security and justice and a better life for all peoples of the region. Without setting deadlines, I personally believe the time has come to get on with the task before us and the sooner the better.

Secretary Haig has explained to me your sincere commitment now that you have peace with Israel to seek a broader peace in the region. The United States also remains eager to do whatever we can to help Egypt enjoy the fruits of peace. We offer the helping hand of friendship, and we're optimistic that working with you, we can streamline our joint economic efforts, make them more flexible, more efficient, and more responsive to our mutual needs, so that all can share in the bounty of peace.

In the coming spring, America's trade ambassador, William Brock, will visit your country with the expressed purpose of strengthening our trade and economic ties. And we also share your concern for the well-being of your neighbors in the Sudan. In this world of advanced technology, communication, and transportation, all nations are

neighbors. Furthermore, with you and all those who would be our friends, we hope to be a good neighbor.

I grew up in a small town in the Midwest of our country, and in the tiny school where I received my initial education, our history books taught us about the magnificent 7,000-year-old culture that grew and prospered along the Nile. I remember wondering what kind of people they were—those people who laid the foundation for Western civilization. Today, we Americans know the Egyptian people well, their courage and nobility, and we're proud to have you as our friends.

President Mubarak

Thank you very much for the warm reception and the kind words. It is a source of great pleasure to visit your great country once again in less than 4 months.

As you know, the sentiments which you have expressed are shared by 44 million Egyptians. They look upon the United States with admiration and respect. They remember very vividly the words of President Abraham Lincoln, who spoke of a nation conceived in liberty and dedicated to the proposition that all men are created equal. They recall also that President John Kennedy urged all nations to join in creating a new endeavor—not a new balance of power but a new world of law where the strong are

just and the weak secure and the peace preserved.

During the past few years our late leader, President Sadat, worked vigorously with you and your predecessors to forge an ever-growing friendship. In doing so he was expressing the will of the Egyptian people. Hence this policy will continue unchanged. We are determined to build upon what has been achieved and add to it every day. We are here to reinforce our friendship and intensify our cooperation in all fields. We are here to cement the bonds of interaction between our two nations. We are here to reaffirm our commitment to work together for peace and reconciliation.

The steps we took on the road to peace in the Middle East generated a historic change in that troubled part of the world. However, they must be followed up in the months ahead. We must double our efforts in order to fulfill our pledge to establish a just and a comprehensive peace. The key to peace and stability in the area is to solve the Palestinian problem.

A just solution to this problem must be based on mutual recognition and acceptance. Both sides have an inherent right to exist and function as a national entity, free from domination and fear. The exercise of the right to self-determination cannot be denied to the Palestinian people. In fact, it is the best guarantee for Israeli security. This is

the lesson of history and the course of the future.

To make it a living reality, the Palestinians need your help and your understanding. We are certain that you will not fail them—you will not defeat the expectations of those who look upon you as a nation of freedom-fighters and peacemakers.

I'm looking forward to the talks that we'll have today with hope and optimism. Much depends on the success of our efforts and the clarity of our vision. I have no doubt that we shall meet the challenge with resolve and determination.

On behalf of the Egyptian people, I invite you and Mrs. Reagan to visit Egypt in order to enable the Egyptian people to express to you the genuine feeling towards every American in the United States.

DEPARTURE REMARKS, FEB. 4, 1982³

President Reagan

President Mubarak and I have just completed a most fruitful and wide-ranging set of meetings. Our discussions were frank and cordial, covering a number of matters of mutual concern. President Mubarak's visit demonstrates more clearly than any words the continuity of American-Egyptian relations and reflects the strong ties that bind us together.

Foremost among these ties is our belief in, and commitment to, a peaceful solution to the Arab-Israeli dispute. President Mubarak has assured us that Egypt remains committed to a peaceful solution of this conflict. And to that end we'll spare no effort to achieve a comprehensive peace as set forth in the Camp David agreement.

During our talks, we reaffirmed our commitment to press ahead with the autonomy talks in order to reach agreement on a declaration of principles, which is the best means of making tangible progress toward a solution of the Palestinian problem in all its aspects as envisaged by Camp David.

We reviewed our mutual concerns about the strategic threats to the region and reconfirmed our identity of views or



President Reagan and President Mubarak held talks in the White House during the latter's visit, his first since becoming President of Egypt.

(White House photo by Michael Evans)

need to work closely together. We discussed in some detail our economic and military assistance programs. We need to consult regularly on methods of implementing and improving them. These consultations have, in fact, already begun among our principal advisers.

And, finally, let me just say that it has been a pleasure having this opportunity to further my personal relationship with President Mubarak. I'm confident that we will be working closely together to achieve those many goals that are in the mutual interest of our two countries.

Thank you very much, and, President Mubarak, we've been delighted to have you here.

President Mubarak

I'm very pleased with the outcome of my talks with President Reagan. As he just stated, the discussions we held were frank and cordial. They were very fruitful as well.

I welcomed the reaffirmation, the continuation of the U.S. role as a full partner in the peace process. We are determined to pursue our peace efforts until a comprehensive settlement is reached according to the Camp David records.

I intend to maintain close cooperation and consultation with President Reagan and his Administration. And we're looking forward to seeing him in Cairo.

STATEMENT OF PRINCIPLE, FEB. 4, 1982¹

WHEREAS:

Egypt and the United States have been full partners in the pursuit of peace in the Middle East;

- Egypt and the United States are full partners in the pursuit of regional stability and in the continuation of peace in the Middle East;

- The United States has cooperated in the economic development of Egypt through a program of assistance to the Egyptian Government in recognition of the sacrifices made by the Egyptian people;

- The Government of Egypt has announced its intentions to undertake its own program of economic reform that utilizes the initiative and capabilities of the Egyptian people;

- Egypt has, with substantial U.S. assistance and the infusion of other external resources, strengthened its economy and rebuilt much of the capital and social infrastructure base;

- Egypt has entered a period of economic progress that will require its own management of substantial external resources, including continued U.S. assistance;

- It is in the interest of both nations to assure the success of the economic reform program in Egypt in a manner that recognizes the substantial capabilities of the Government of Egypt to accomplish its intentions and the continuing commitment of the United States to provide resources that may be utilized to this end.

Now, Therefore:

- The United States endorses the intentions expressed by the Government of Egypt to acknowledge the continued need for economic reform and progress and to undertake necessary measures towards that end;

- The Government of Egypt expresses appreciation for U.S. assistance and the significant contribution it is making to Egypt's present stage of development and to the enhancement of living conditions in Egypt;

- Both nations recognize Egypt's commitment to improving the efficiency with which it uses its human and financial resources;

- Both nations are now embarking on a new phase of greater interest in economic progress in Egypt with a view toward making U.S. assistance, as permitted by U.S. law, be of an optimum impact and to assure Egypt a more active role in the allocation and disbursement of the U.S. assistance.

Accordingly:

1. The two parties agree that directing U.S. economic resources into program assistance in support of Egypt's sectoral strategies can significantly improve overall sectoral efficiency, and, therefore, they shall seek means for increasing programing resources in this manner. Under sectoral funding, Egypt shall be responsible for the design, implementation, and evaluation of specific activities; the allocation of resources to those activities; and related policy objectives within each sector.

2. The use of incremental budgeting can increase the flow of assistance and expand its effectiveness. The current

program and planned new activities will be reviewed to apply this budgeting principle. To the maximum extent consistent with Egypt's sectoral strategy and specific nature of the financing of capital projects, U.S. assistance will be provided on an incremental basis, thus assuring maximum current distribution of the resources transferred.

3. The two parties agreed that the commodity import program can play an important role not only for financing imports of consumption and intermediate commodities but also for investment in productive enterprises and to support structural program adjustment. Both parties agreed to consider additional means for using the commodity import program in support of development objectives. Specifically, the parties agreed to consider programming \$350 million for the commodity import program in FY 1982, of which \$300 million will be obligated immediately, and to consider an increasing level of commodity import program financing in future fiscal years.

4. Egyptian professional and technical experts shall have wider opportunity to participate in the design and implementation of all projects and programs funded through U.S. assistance programs.

5. In recognition that the assistance pipeline of obligated but undisbursed funds represents a substantial resource available for economic progress in Egypt, both parties agree to develop effective ways to accelerate the utilization of these funds.

¹Texts of the remarks from the Weekly Compilation of Presidential Documents of Feb. 8, 1982, which also includes toasts made at a state dinner on Feb. 3.

²Made in the East Room of the White House.

³Made to reporters assembled at the South Portico of the White House.

⁴Text from White House press release of Feb. 4. ■

Secretary's News Conference on President Mubarak's Visit

Secretary Haig held a news conference on February 5, 1982, to brief news correspondents on President Reagan's meeting with Egyptian President Mubarak.¹

First, let me welcome some of our Egyptian colleagues we're delighted to have with us here today. I do want to say a few words on the record, summarizing our assessment of the about-to-be-completed visit of President Mubarak and his colleagues here to the United States. This, as you know, is the first visit of President Mubarak, as President. He was here, I think about 4 months ago, in behalf of President Sadat.

I think in summary we can say that the visit has deepened and broadened the relationship between the United States and Egypt begun under President Sadat. It confirmed the continuing conformity of views on peace, justice, and security and strengthened that convergence of views.

We in the United States, of course, have great admiration for the Egyptian people, for the strength of their institutions, and for the leadership of President Mubarak which have been so clearly confirmed by the successful transition in Egypt following the recent national tragedy.

All in all, I think the visit can be described as a highly successful one at all levels from personal to strategic. It is clear that the visit reinforced the U.S. conviction that it will remain a full partner in the peace process begun at Camp David. In that regard the Egyptian Government and the U.S. Government at the presidential level have renewed their mutual commitment to the Camp David peace process and to work with Israel to bring full autonomy for the Palestinians on the West Bank and Gaza as the first stage described in the Camp David accords itself with the following language: "the resolution of the Palestinian problem in all its aspects."

The United States reaffirmed the value of its relationship with Egypt and will work closely with Egypt and President Mubarak to bring a better life to the people of Egypt through cooperative economic efforts.

The United States fully understands Egypt's desires for flexibility in

economic assistance programs and in that regard yesterday afternoon an agreement between the representatives of the two governments was arrived at which will establish a framework to provide greater flexibility in the administration and conduct of American economic aid programs for Egypt.

The United States believes that a strong Egypt is essential to the peace and security in the Middle East. In that regard we consider and continue to support programs designed to modernize Egyptian armed forces. This is part of a broad regional effort which will be conducted in fiscal year (FY) 1983 and reflected in our program for FY 1983 in the region. This issue was, of course, discussed in detail not only between the President and President Reagan but between President Mubarak and myself, and between President Mubarak and Defense Secretary Weinberger in separate meetings.

I think it's important to say that President Reagan especially appreciated the opportunity afforded by this visit to discuss the full range of regional bilateral issues and issues related to the peace process in the Middle East personally with President Mubarak. There is no question but that the conclusion of this important visit leaves President Reagan with a deep sense of confidence and optimism that the period ahead of Egyptian-U.S. relationships will progress on a sound and solid basis to the mutual benefits of the American and Egyptian people.

Q. Do you now have a clearer idea of what President Mubarak meant by a national Palestinian entity? For example, does it mean Palestinian authority over the land as well as the people—population?

A. I think you're referring to the language of the Camp David agreements.

Q. I'm referring to a phrase he used in his arrival statement on Wednesday at the White House where he talked of the creation of a Palestinian national entity.

A. That is the focal point of the discussions on full autonomy with respect to the West Bank and to Gaza. It is, of course, the focal point of the autonomy talks themselves, the power and authorities, and the multitude of

arrangements which provide first for a transition arrangement in this regard which would ultimately lead to a final settlement of these problems and the character of the entity to which you refer.

I think it's premature to go beyond the point of the language of Camp David itself and the ongoing discussions, which I do not think it's helpful to engage in here on the topic of autonomy. But I do want to emphasize that what we are talking about is a transition period where confidence can be structured on both sides and where the ultimate outcome will reach, in the words of Camp David itself, the resolution of the Palestinian problem in all of its aspects.

Q. Could that, in the U.S. view, encompass the possibility of a national entity of some kind emerging from this process?

A. I think it's important that those of you who have questions on that subject—and it's a sensitive area—go back to the language of Camp David. That provides, if you will, an overall framework to which the participants have committed themselves. There are other aspects of this question which are to be determined in the context, first, of an agreement in principle for the transitional period, then a detailed autonomy agreement, and then an ultimate solution. And some of these nettling questions have been deferred until the final stages, so I think you're asking a question for which there is no timely or con-temporary answer.

Q. I understand clearly your statement concerning the right of the Palestinians and the full solution of the problem of Palestine. But let me put this question: President Mubarak repeated several times his appeal for dialogue between the American Government and the Palestinians. How do you figure this can be implemented? What kind of Palestinians? How can you do it? Are you going to do it or not?

A. The question was, President Mubarak had referred repeatedly to the desirability of a dialogue between the Palestinian people and the Americans as a partner in the peace process. I think President Mubarak was equally careful in not putting out any road maps, any specific formula for this. We know we have the question of the Palestine Liberation Organization (PLO), and the U.S. position on that question is clear and has not changed.

With respect to discussions with the Palestinian inhabitants of the West

ank and Gaza, these lines of communication have been exercised, not in a formal sense because the structure for that does not exist, but in the recent trips that I made. In the first trip I had a discussion with the Mayor of Bethlehem, Assistant Secretary [for Near Eastern and South Asian Affairs] Veliotis had additional discussions, not only with the Palestinian inhabitants of the territories but also with other friendly Arab states in the region.

So I think that's the answer to your question with an underlying emphasis on the conditions which have been stated previously with respect to the PLO.

Q. Do you think it's realistic to continue this policy of refusing to entertain the possibility of conversations with PLO representatives?

A. I don't think it's a question of realistic. I think there's nothing that suggests we're not prepared to do that when the PLO is prepared to meet its obligations as a participant in such discussions, and we've made those positions very clear.

Q. You're talking about changing their covenant? Is this specifically what you refer to?

A. I wouldn't refer to it as changing the covenant. I would call it certain obligations or certain commitments with respect to Israel's right to exist.

Q. The President offers the PLO as an entity, to which you answered—you also made very clear that the Palestinian peoples have the right for self-determination. Could you interpret your understanding of self-determination within the context of the Camp David that you are saying?

A. As I say, you sharpies that deal with this subject every day know even better than I the risks of greater specificity in that area. After all, we are talking about the establishment of full autonomy for the populations on the West Bank and Gaza. This is going to be the product, hopefully, of an agreement in principles which will spell out those details with the mutual agreement of the participants in the peace process, and I'm not going to unilaterally get out with interpretative statements on a subject that is so sensitive and controversial.

Q. How close are we to a declaration of principles now?

A. I said in my recent trip my own assessment was that we had a farther distance to go than we had already traveled. I want to point out, however, that that shouldn't sound quite as grim as it might be interpreted. One must

remember that we in January entered into a situation in which the whole process was stalled—not only autonomy but a framework for return of the Sinai this coming April was stalled—and there were a number of profound disagreements.

Some of them have been bridged. For example, I don't know of any issues on the return of the Sinai as part of the Camp David process which now will pose an obstacle. I think all those things have been solved, and I must say they were not easy to solve, but they have been done.

With respect to autonomy, as a result of the two trips we've taken, the work of the specialists established by the two governments with our full participation—which we're going to upgrade somewhat as you know—we've now gotten to the point where we are not discussing differences on many key issues but rather are discussing solutions to differences. We've said that we'd do this without establishing deadlines, and we have none, and we are going to continue to work. It's, I think, encouraging that the leaders of both Israel and Egypt—and specifically during this visit at the presidential level, President Mubarak committed himself to the full engagement of the resources of Egypt. We've had that commitment from Israel, and we've made it ourselves to continue to work the problem.

Q. You spoke earlier about a program of modernization of armed forces for not only Egypt but the region in FY 1983. Could you tell us some of the details of what you envision?

A. I've seen a lot of press speculation on it, and it won't be very long before it's all in the public venue, but it's not appropriate for me to get out ahead of it. Let me just say that the ongoing discussions—and they've gone on for many months and many venues, Defense to Defense, State to Foreign Office, and President to President—leave me with a great deal of confidence that the framework we have put together for 1983 is responsive to Egypt's needs and will further enhance regional security and stability.

You know as well as I do that some figures have been bandied around, and there have been some improvements in those figures. I think we have to wait until we formally submit them.

Q. Do you intend to intensify your contacts with the Palestinians? With whom, when, and how; and do you consider, as President Mubarak said,

the [inaudible] organization as a moderate Palestinian?

A. Oh, my golly. [Laughter] I just love to have our visiting Egyptian press corps here.

Q. It just means one man on the West Bank.

A. I think what you say is that, however you answer it, somebody will be mad. That's what you mean, because that's the truth of it, and I'm going to skip the answer; skirt it.

Q. But in the West Bank are you planning to intensify your contacts with the Palestinians?

A. It's always been our policy, for example, in Jerusalem, to have our Interests Section be in close contact with the inhabitants of the city, and we have maintained contact with the inhabitants.

Q. How can we get them to agree to a principle or to the autonomy or anything like that without contact?

A. I think I said we are maintaining that contact, but I think you will recall that at the time of Camp David, those agreements were arrived at based on the conscience of the participants. We will carry that process forward with great sensitivity, with the objective of a reasonable autonomy agreement.

Q. In light of these visits and your travel out there, can you talk about what you see now as the biggest threat in the, I guess, Southwest Asia/Middle East region? I mean what concerns you now?

A. The greatest threat?

Q. The biggest problem or whatever.

A. I said threats, like beauty, are in the eye of the beholder; and I think that varies. Clearly, there is an interrelationship between external threats and threats to internal stability supported and abetted by external threats; and I'm talking of the Soviet Union and their adherents. There are threats associated with radicalism. That has a distinctly threatening character in its own right to incumbent regimes. There is the continuing instability associated with the Palestinian question and the Arab/Israeli peace process.

Now, all three of these threats, if you will, are independently serious and are, at the same time, interrelated in that one draws sustenance from the other and perhaps direction and aggravation. And, again, as we go back to the so-called "strategic consensus" that we talked about last spring, clearly this issue is not a substitute for our concern about the peace process and achieving

progress in the peace process; and I said that at the time and repeated it at the time. I find a preoccupation in some of the writings that have occurred that these are alternative problems. They are not alternative problems. They are intimately interrelated in that progress, and one, as I have said, contributes to progress in the other and a deterioration of one aggravates the possibility of progress in the other. And I hope I've answered your question.

Q. Can I ask you to be specific then by asking: One of our Arab friends in the area, King Hussein, has just, you know, asked for volunteers to go to Iraq. Are you concerned in any new level with the Iraq-Iran war, what the Soviets are doing in Iran?

A. Let me reiterate again American policy with respect to that conflict. We are concerned by any policy which would drag that conflict on.

Q. Do you think the Soviets are pursuing a policy that drags that conflict on?

A. I think we all know that both of the combatants are the recipients of military equipment and assistance from the Soviet Union and that the provision of such armaments can only contribute to a continuation of the conflict. We would hope to see an early negotiated termination of that conflict. Its continuation serves no one's interest. And we would hope that success would soon be arrived there, although I must say I have no basis for expressing optimism in that regard.

Q. There are reports that the Soviets have recently provided Palestinian units with fairly sizable amounts of military hardware, including some ground-to-ground missiles. First of all, is that correct? And, secondly, what do you make of it; what impact is it likely to have?

A. This is a very key aspect of the cessation of hostilities in Lebanon, southern Lebanon. We view the provision of such armaments to Palestinian elements in southern Lebanon as an aggravation to the efforts we have been engaged in to prevent the outbreak of conflict. It is true that there are reports of levels of both tubed artillery and rocketry moving through Lebanon to the Palestinian forces in southern Lebanon. This is one of the areas that is a focus of Ambassador Habib [Philip C. Habib, the President's special emissary to the Middle East] to achieve a termination of these destabilizing actions and in the period ahead we clearly have additional work to do in that area.

Q. Does it seem to remain a problem for new fighting in southern Lebanon?

A. It has that potential, of course.

Q. There were reports before President Mubarak came that the President said that President Carter had made a sacred promise in 1978 to have Israel and Egypt make their military aid compare. Would this new FY 1983 plan that you were not going to tell about—will it bring them closer together or would they now be comparable in the military aid that they will get from the United States?

A. There are a number of evaluations that go into that kind of comparability commitment: absorption capacity, needs, current equipment levels—a host of contributory factors that have to go into such an assessment—but to answer your question in an uncharacteristically blunt way, I would say that comparability has been increasingly the direction in which our assistance levels to Egypt have been moving, and this next year's program will be a further continuation of that.

Q. Will it satisfy President Mubarak?

A. I can't speak, and I would not presume to speak for President Mubarak. All I can say is that I think our discussions were both fruitful and successful this past week here in Washington.

Q. After meeting with President Mubarak, do you have any thought that President Mubarak is much more independent of the United States than President Sadat?

A. I wouldn't presume to make a value judgement of that kind either other than to—you know, I've known President Mubarak, I suppose, since the mid-1970s, and I think he's pledged himself, with respect to the peace process and mutual assessment of the dangers to the region, the cooperation in the security and economic areas, to pursue the policies that his predecessor committed Egypt to. I have seen nothing, and I've discovered nothing, in our many hours of discussion that would change that assessment on my part.

Now, there are a number of related questions associated with the costs of Camp David to Egypt in the Arab world which are not necessarily in conflict with the basic character of the relationship between the United States and Egypt; and I would expect that in affairs among nations and regions that they will always be dynamic.

Q. Specifically with regard to the Palestinians, it does look as though—or manages to look as though—these talks, this particular series of talks, did not really work. Is that a fair assessment?

A. I'm really not sure I understand it.

Q. With regard to the Palestinian issue and all its ramifications, these talks got you nowhere. Is that a fair assessment?

A. Not at all. Precisely the opposite.

Q. Where is the progress?

A. I think I described the progress. In some areas we have come very close I think, to a consensus of views. In other areas we have narrowed the differences. In other areas we have at least launched a process of ingenious and creative thinking for solutions, and the months ahead and weeks ahead will demonstrate whether or not we succeed.

Again, I don't want to characterize my attitude on the situation as one of excessive optimism. There are many problems. But I am confident that I can state without exaggeration that we have made progress, and I anticipate that we will continue to in the period ahead.

Q. Can you tell us what you expect to achieve through the declaration of principles that you are working on? Do you think it will be a kind of Camp David II?

A. No, no. I don't anticipate a Camp David II.

Q. What do you hope to achieve through this declaration of principles in specific terms?

A. What we hope to achieve is the establishment of a transition process which will ultimately lead to a resolution of the Palestinian problem in all of its aspects, and that's the objective of Camp David. With respect to the issue and the process itself, Camp David was agreed to 3½ years ago. Certain very difficult questions were deferred in those agreements, such as the ultimate status of Jerusalem. That deferral was a conscious deferral. And the differences that existed then and continue to exist today are approached in an autonomy agreement in principle.

Now, we can either choose in our efforts to achieve an autonomy agreement to solve those problems that could not be solved at Camp David or to continue on with a conceptual approach that visualizes an evolutionary solution through mutual confidence building and the establishment of a framework which will get that process started. And I have

d that if the participants in this peace process seek to make the principles that are seeking to achieve agreement on be a leg up on the final outcome other than a solution, to providing a framework that will permit that conference building, that experience, and at evolution, then it makes the problem all the more tractable, and I think you gather what I'm saying.

Q. In Italy recently one of the instigators who has been looking into the sources of Italian terrorism—Edge Imposinato—has declared that the Red Brigades were being controlled by factions within the PLO (within the Israeli side and, within Egypt, Egyptians who had assassinated President Sadat.

Now, also in Italy, the head of military intelligence has charged recently that these same sources, the controllers of the Red Brigades, had been depositing into numbered Swiss bank accounts money which was then used for the payoff of certain U.S. officials. What he was talking about particularly was his predecessor in military intelligence who was a member of Italy's propaganda to the Masonic Lodge which was linked to terrorism and, according to *La Repubblica*, the Italian newspaper, the American official who was paid off with this news was Michael Ledeen. And I wonder if you can tell me what the purpose of this was or whether you can confirm it.

A. I'm so confused, I'm not sure I know where to start. [Laughter] If you mean by that am I appalled by international terrorism, the answer is "yes;" and is it the policy of President Reagan's administration to work actively to stamp out this international plague, the answer is "yes" again.

Q. But the specific charge that was made—

A. I never got it amongst the other charges. [Laughter]

Q. Specifically that the head of Italian military intelligence, according to the newspaper *La Repubblica*, says that Michael Ledeen was paid off by propaganda too.

A. I would reject that without knowing anything about it as inconceivable to me, and I've never heard of such a thing, and it's probably because I don't read the same Italian papers that you may read. I leave it to you to ask it where the answer may be more forthcoming.

Q. Does Mr. Fairbanks [Richard Fairbanks, special adviser to the Secretary] have any new proposals to accelerate the momentum of the autonomy talks with regard to the meetings?

A. Is Mr. Fairbanks going to carry any new proposals?

Q. Yes.

A. He's going to put forth, as a full partner in this process, ideas and suggestions that we have that might provide solutions to existing differences. As I said, at the end of my first trip 3 weeks ago—it's almost 4 now—we were going to gather facts. We would come home and assess those facts. We would come back and, on a bilateral basis, suggest to both governments certain ideas or approaches—no formula and no

blueprint, no "made in America" solution but what I would term catalyzing suggestions. We've done that, and that process is going to continue in the weeks ahead, and Mr. Fairbanks will engage in it very actively.

Q. How significant is the current resolution under consideration in the General Assembly regarding Israel's Golan Heights legislation; and what happens after it's approved, in the U.S. view?

A. I looked very carefully yesterday at the current draft, and we consider it basically unacceptable not only its own right but in the context of the direction to which it might lead.

¹Press release 51. ■

Military Assistance Policies for the Middle East

President Reagan sent the following letter to Israeli Prime Minister Begin on February 16, 1982.¹

Dear Menachem:

Recent press reports have presented incorrect and exaggerated commentary regarding U.S. military assistance policies for the Middle East.

I want you to know that America's policy toward Israel has not changed. Our commitments will be kept. I am determined to see that Israel's qualitative technological edge is maintained and am mindful as well of your concerns with respect to quantitative factors and their impact upon Israel's security.

The policy of this government remains as stated publicly by me. Secretary Haig's and Secretary Weinberger's statements on the public record are also clear. There has been no

change regarding our military supply relationship with Jordan, and Secretary Weinberger brought me no new request. Any decision on future sales to Jordan or any other country in the region will be made in the context of my Administration's firm commitment to Israel's security and the need to bring peace to the region.

Israel remains America's friend and ally. However, I believe it is in the interest of both our countries for the United States to enhance its influence with other states in the region. I recognize the unique bond between the United States and Israel and the serious responsibilities which this bond imposes on us both.

Sincerely,

Ron

¹Text from Weekly Compilation of Presidential Documents of Feb. 22, 1982. ■

Proposed Sale of Aircraft to Venezuela

by James L. Buckley

Statement before the Senate Foreign Relations Committee on February 5, 1982. Mr. Buckley is Under Secretary for Security Assistance, Science, and Technology.¹

I am pleased, as always, to be here. I welcome the opportunity to discuss Venezuela's request to purchase F-16 aircraft and to explain why the Administration has approved the request and believes the proposed purchase should be allowed to proceed.

Our decision is consistent with the Administration's arms transfer policy and should be viewed in the context of the strategic situation in the world today. Over the last decade, Soviet arms transfers to the Third World have steadily increased. For the last several years, the Soviets have been the largest source of arms for Third World countries, exceeding U.S. arms deliveries in virtually every major arms category, sometimes by two- or threefold and more. Soviet arms transfers to the Third World include sophisticated, high-quality equipment as well as quantity. Indeed, in some cases the Soviets have offered top-of-the-line equipment to their Third World customers even before it moves into the inventories of other Communist countries, such as MiG-25 fighters to Iraq and Nanuchka class patrol craft to Libya.

In short, in recent years the Soviets have supplied the Third World with more and higher quality arms than ever before.

Soviet arms are the life's blood of Soviet aggression by proxy. In recent years, the Soviets and their proxies have repeatedly used force or the threat of force to expand their influence and frustrate peaceful change. With Soviet arms and support, Vietnamese troops occupy Kampuchea and threaten Thailand; Libya threatens Chad, Tunisia, the Sudan, Egypt, and Morocco; Afghani planes and armored units raid Pakistan; and Cuban troops stationed in Angola and Ethiopia threaten regional stability.

Not surprisingly, the worldwide pattern of Soviet aggression repeats itself in this hemisphere. In the last few years, the quantity and quality of Soviet arms sent to Cuba, and through Cuba to

others, have sharply increased. In 1981 the Soviet Union flooded Cuba with over 63,000 tons of arms, the largest inflow in 20 years. This is only part of a decade-long effort by the Soviets to modernize Cuba's forces with top-of-the-line aircraft, armored vehicles, rocket launchers, anti-aircraft weapons, and even submarines. Ominously, Cuba has recently received additional shipments of advanced high-performance aircraft and a missile-carrying frigate. Nicaragua, which receives Soviet arms, threatens to create forces that far exceed any reasonable needs for defense, and there are now reports that the Sandinista government will receive older MiGs from Cuba.

Meanwhile, Cuba has renewed and redoubled its efforts to export revolution in the Caribbean and Latin America. Cuban-supported forces have taken power in Nicaragua and threaten to destroy El Salvador's best hope for political and social reform. A Cuban-oriented regime heads Grenada. Cuban-supplied and -directed efforts to subvert elected governments have been exposed in Guatemala, Honduras, and Colombia.

Soviet and Cuban activities betray an extensive effort to increase their air capabilities. With Cuban support, airfields capable of handling advanced Soviet combat or transport aircraft are being constructed in Grenada and Nicaragua. Meanwhile, the Soviets have already increased the number of their reconnaissance flights from Cuba and their naval presence in the Caribbean Basin.

It is in this worldwide and regional context that we must assess Venezuela's request to purchase on a cash basis eighteen F-16A and six F-16B aircraft. The sale, including initial training, spare parts, and support, will amount to approximately \$615 million.

Last summer, President Reagan announced a new conventional arms transfer policy to supplement our own defense buildup and our foreign assistance efforts. The policy was designed to help us counter Soviet aggression and Soviet proxies and the massive Soviet arms transfers which destabilize regions of strategic importance to the West and stretch our resources to their limits.

This Administration knows that arms are only a small part of any solu-

tion. Underlying economic and political problems will not disappear because a country has arms. Nonetheless, there is a constructive role for a sound and well-considered arms transfer policy. As President Reagan's directive stated, "prudently pursued, arms transfers can strengthen us."

Carefully crafted decisions on arms transfers promote our national interests in three general ways.

First, by helping others to help themselves, we allow them to undertake responsibilities in strategic areas that our forces might otherwise have to assume alone.

Second, by supplying others with modern equipment and compatible facilities, we complement the capability of our forces, should they have to act.

Third, by proving ourselves a sensitive and reliable supplier, we strengthen our ties with allies and nations that share our concerns.

President Reagan's flexible, case-by-case arms transfer policy will look favorably on a sale that furthers our security in these ways. At the same time, however, our policy requires that we take into account other conditions which would argue against a particular transfer. For example, we would question any transfer which might disrupt relations within a region, overburden a nation's economy, strain the capacity of its military, compromise critical technology, or support violations of basic human rights.

With respect to sales of aircraft, in the Administration's policy to recommend, when appropriate, consideration of our intermediate tactical aircraft aircraft especially manufactured for export, rather than those that are more advanced and costly. Nonetheless, there are circumstances in which U.S. national interests are best served by the sale of advanced weapons. In order to be effective, implementation of our arms transfer policy must be responsive to a nation's legitimate needs.

Measured against these criteria, it makes good sense to accede to Venezuela's request to purchase F-16s.

- Venezuela has good cause to wish to insure the future safety of its people, its resources, and the surrounding sea lanes vital to its economy.

- Venezuela currently produces about 1.9 million barrels of oil per day. Other than Mexico, and our own country, Venezuela is the only major source of oil in this hemisphere. If oil supplies from the Persian Gulf were interrupted

Venezuelan oil would be critical to the United States.

- Venezuela is also strategically located. It controls the eastern approaches to the Panama Canal and lies thwart the major sea lanes of the eastern Caribbean, through which run a major portion of our international trade and our imports of foreign oil.

- In the past few years, Venezuela has contributed to regional stability by subsidizing oil prices and providing financial assistance to less well-off nations. Most recently, Venezuela joined with Canada, Mexico, and the United States in the formation of the Caribbean Basin initiative.

- Less tangible, but no less real, is the important role Venezuela plays in the region as an example of a pluralistic and democratic society.

In short, Venezuela is a key source of oil and a strategically located democracy which plays a constructive and growing role in an important region. After 9 years of increasing oil revenues, Venezuela has made a deliberate and carefully considered decision to modernize its air force with aircraft that will serve its defense needs into the 21st century. We should accede to Venezuela's request. To refuse it would be unwise and insulting.

It would also be futile. Venezuela already has the resources to go elsewhere. Whether or not we sell our planes to Venezuela, Venezuela will acquire advanced aircraft.

There may be some concern that approving Venezuela's request heralds unrestrained American sales of advanced weapons in the hemisphere. It will not. In several ways, Venezuela is unique. Few other countries are as uniquely situated; few have as good a record on human rights and democratic government; fewer still have the economic resources to buy these planes. We are reluctant to impose, and our experience indicates that less prosperous nations are reluctant to undertake, the immense debt burden which the purchase of top-of-the-line aircraft entails.

In any case, this Administration intends to pursue a judicious and measured approach to all arms requests, assessing them on a case-by-case basis and against a backdrop of total U.S. interests. We are seeking to be both responsive and responsible. U.S. interests in this hemisphere and the world require an arms transfer policy that is both

We have the opportunity to enhance the future stability and defense of a friendly democracy. In the process, we enhance our own security. This sale meets all of our tests. It strengthens our ties with an important nation, enhances its capabilities, lessens the burdens on the United States, and contributes to the stability of our "third border," the Caribbean.

Venezuela has made a deliberate, measured, and well-reasoned decision to

Afghanistan Day: March 21

by *Walter J. Stoessel, Jr.*

Statement before the Senate Foreign Relations Committee on March 8, 1982. Ambassador Stoessel is Deputy Secretary of State.¹

It is a great pleasure for me to appear before your committee today on the joint congressional resolution adopted unanimously by the Senate and by the House of Representatives designating March 21 as Afghanistan Day. I wish to congratulate you for the action you have taken to pay tribute to a valiant people struggling for their freedom against foreign aggressors. Our European allies, who conceived of this initiative, and other countries around the world will also be observing Afghanistan Day.

The President will sign the proclamation of Afghanistan Day this Wednesday at a White House ceremony. The same day, the State Department will brief and host a reception for representatives of ethnic groups in the United States from Eastern Europe, South and Southeast Asia, and the Caribbean on the commemoration. The President fully supports and endorses the purpose of Afghanistan Day as do former Presidents Carter, Ford, and Nixon and former Secretaries of State Muskie, Vance, Kissinger, and Rusk.

The President has requested former Secretary of State William P. Rogers to coordinate private American observance of this date. Over the next several days, Secretary Rogers will be outlining various nongovernmental activities which will be undertaken in our observances here. We hope that these activities by concerned private groups will

provide for its own defense into the next century. We should respect its choice. As we would not deny ourselves the means to defend our freedom, so we should not deny Venezuela the right to defend its own.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

help focus American public attention on what is happening in Afghanistan today.

The vernal equinox—March 21—has traditionally been celebrated as the beginning of the Afghan New Year. The worldwide observance of Afghanistan Day will signal to the Afghan people that they enjoy the solidarity of the free world. We believe that it is of the utmost importance that the international community also signal to the Soviet Union that the passage of time has not dimmed the concern of free men everywhere over Soviet aggression nor diminished demands that the Soviet Union withdraw its troops from that country.

We must not forget the Afghan people's struggle. We must not allow the Soviets to believe that their aggression is accepted as a *fait accompli*.

Soviet Military Actions

December 27, 1979, was a watershed in post-World War II history. On that date, for the first time, Soviet forces invaded an independent country which was not a member of the Warsaw Pact. This act was one of outright aggression—even more pronounced than recent Soviet actions in Poland. Today we estimate that as the result of Moscow's augmentation of its forces in Afghanistan since November, the Soviets may have when at full strength as many as 100,000 troops in Afghanistan. Their actual presence varies from day to day, however, and may be as much as 10% lower than this figure at any one time.

The saga of Afghan resistance to Soviet occupation is one of personal courage and heroism against great odds. The hardships and losses which the

Afghan people have suffered in this unequal battle have been high. Thousands of innocent civilians have been killed or maimed as the Soviets and the puppet Afghan army have destroyed villages and crops, strewn antipersonnel mines over trails and inhabited areas, employed lethal chemical weapons, and forcibly impressed young Afghans in the armed forces.

Just recently Soviet troops surrounded Afghanistan's second largest city—Kandahar—and subjected it to a savage artillery and air bombardment in which hundreds of innocent civilians lost their lives. After the bombardment, Soviet forces entered the city and engaged in wanton looting and killing among the civil population. Many of the city's buildings were severely damaged; two-thirds of its population fled. Soviet forces also moved against Afghanistan's fourth largest city—Herat—with similar ruthlessness causing great suffering among its population.

Use of Chemical Weapons

I would like to refer to a particularly heinous aspect of Soviet military actions in Afghanistan. The use of chemical weapons in war is a violation of the 1925 Geneva protocol, to which the U.S.S.R. is a party, and the rules of customary law, which apply to all nations. Analysis of all of the information available leads us to conclude that attacks have been conducted with irritants, incapacitants, nerve agents, phosgene oxime and perhaps mycotoxins, mustard, lewisite, and toxic smoke. Afghan military defectors have provided information on chemical weapons containing lethal nerve agents, where they were stockpiled, and where and when they have been used. This information generally corresponds with refugee reports and recorded military operations. As a result of chemical attacks, 3,042 deaths attributed to 47 separate incidents between the summer of 1979 and the summer of 1981 have been reported.

The Soviet Puppet Regime

Today, the Soviet Union maintains the fiction that the regime of Babrak Karmal is a legitimate government. However, it is the Soviets who not only make policy in Kabul but who also make the day-to-day political, administrative, and military decisions of government. Moreover, it is commonly accepted that the Babrak regime would not last till nightfall without the presence of Soviet troops.

Human Rights

The Soviet suppression of Afghan political freedom is paralleled in all other aspects of life. For example, the Soviets are currently imposing their brand of judicial system and the Soviet model of education in Afghanistan. At Kabul University, medical school degrees are no longer granted, and medical students are required to obtain their degrees in the Soviet Union.

Despite regime efforts to cloak itself in religious piety, concern for the preservation of Islamic values remains at the heart of the anti-Communist resistance.

The most basic human right—to life itself—is being violated daily by the Soviets and their puppets in Afghanistan. There are thousands of political prisoners. We have frequent reports of torture, of summary executions, and a long list of other violations which testify to the brutality of the Afghan regime and its Soviet masters.

Afghan Refugees

About 3 million Afghan refugees have fled their homeland seeking freedom—principally in neighboring Pakistan.

Almost one-fifth of the preinvasion population of Afghanistan—the largest group of refugees in the world—has so voted with its feet. Although conditions in refugee camps are hard, the U.N. High Commissioner for Refugees (UNHCR), aided by resources from many countries including our own, has done a commendable job of assisting these innocent victims of Soviet aggression. The Government and people of Pakistan have also displayed a generosity and hospitality of the highest order in welcoming these refugees to their country.

The plight of the Afghan refugees is one which deserves our help. We will continue to support the UNHCR with funds and food assistance.

Afghan Nonalignment

It is the very concept of freedom which is on the line today in Afghanistan—the freedom of a people to determine their own destiny, to form a government of their own choosing, to practice freely their religion, and to enjoy full sovereignty and independence. Historically, Afghanistan existed—sometimes uneasily—between the expanding Czarist empire and British India. On three occasions, when external powers sought to expand their influence in Kabul through

military action, they were rebuffed as Afghans united to repel the foreign invader.

I recall this history to highlight a major characteristic of the Afghan people—their fierce determination to retain their freedom despite the misfortune of a geography which places them on the border of a powerful, expansive neighbor. To achieve this, various Afghan Governments adopted a policy of nonalignment. We accepted this policy, which also seemed to serve the interest of the Soviet Union until it was destroyed overnight by a decision made in Moscow.

International Condemnation of Soviet Aggression

Soviet aggression in Afghanistan has been viewed with particular concern by other nonaligned nations, which rightly see it as an example of super-power imperialism. This has been reflected in overwhelming votes in the U.N. General Assembly and other U.N. bodies and a wide variety of international organizations.

- The Islamic countries have felt a special empathy for the fate of their Muslim brothers. On four separate occasions, the 43-member Islamic Conference has passed resolutions calling on the Soviets to withdraw their forces, for restoration of Afghanistan's neutrality and nonalignment, for the right of the Afghan people to form a government of their own choosing, and for conditions which will permit the Afghan refugees to return to their homes.

- In South Asia, the Government of India and other regional states have called on Moscow to withdraw its forces whose presence in Afghanistan has changed the regional strategic equation.

- The 99 members of the nonaligned movement, meeting in plenary session in New Delhi 1 year ago, made a similar plea.

- Last fall, 116 countries—five more than the previous year—endorsed a U.N. General Assembly resolution along similar lines. This was the third such resolution overwhelmingly adopted by the General Assembly since the invasion.

A Political Solution

Our government earnestly wants to see a political solution to the Afghanistan conflict which brings the violations of human rights and the sufferings of the Afghan people to an end. We have consistently made it clear to the Soviets that we are ready for serious discussions

in Afghanistan which might promote a Soviet withdrawal and a political settlement on terms acceptable to the Afghan people.

Let me outline some of the actions we and others have taken in a search for political solution.

- Secretary Haig made clear to Soviet Foreign Minister Gromyko during their recent meeting in Geneva that the Soviet occupation remains a major impediment to prospects for improvement of U.S.-Soviet relations. Unfortunately, the Soviet side has not demonstrated willingness seriously to discuss a peaceful settlement of the Afghan conflict.

- We will continue to raise this matter in our high-level contacts and in our normal diplomatic dialogue with Moscow. Our hope is that eventually the Soviet Union will remove its forces from Afghanistan, thereby reducing a major barrier to better East-West relations. International efforts to achieve a Soviet withdrawal are also in progress.

- The U.N. Secretary General Perez de Cuellar has appointed a personal representative to continue discussions with the concerned regional nations about a political solution. We support his effort by the Secretary General, though we must point out that the source of the problem is not in Islamabad, Tehran, or Kabul but in Moscow. It is there that a solution must ultimately be sought.

- The European Community last June proposed a two-stage international conference on the Afghan conflict. Regrettably, the Soviet Union has chosen to reject this important initiative. We note that it remains on the table; a serious proposal which we will continue to urge the Soviets to pick up.

In closing let me praise the courage and heroism of those Afghan freedom fighters who refuse to accept foreign domination of their homeland. Their courage, steadfastness of purpose, and determination have earned the admiration of all who cherish freedom. Let us also remember the Afghan refugees in Pakistan who have been forced to flee Soviet oppression.

The joint resolution is a fitting tribute to these Afghan patriots from a people who also guard their freedom zealously. It forcefully reminds the Soviet Union that the Afghan conflict is at the very heart of the increase of international tension and that a negotiated settlement will serve the genuine security interests of all parties, including the Soviet Union.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

The Certification for El Salvador

by Thomas O. Enders

*Statement before the Senate Foreign Relations Committee on February 8, 1982. Ambassador Enders is Assistant Secretary for Inter-American Affairs.*¹

I welcome this opportunity to review with you the certification required under law with regard to El Salvador.

The Administration is solidly committed to the goals set out in the Foreign Assistance Act. As we understand it, the act says, yes, there is a challenge to our national security, so military and economic assistance are required. But yes, we must also use our assistance to help El Salvador control violence, make land reform work, develop a democratic process, bring murderers to justice. The certification the President made on January 28

reflected substantial progress toward each of the goals laid out in law.

You asked me to cover each of the five items in the certification: human rights, control of the military, economic reforms, progress toward elections, and the investigation of the murders of Americans in El Salvador.

Human Rights and Control of the Security Forces

The law requires us to certify that El Salvador is "making a concerted and significant effort to comply with internationally recognized human rights" and "is achieving substantial control over all elements of its armed forces." It does not say that human rights problems must be eliminated. But it does demand progress.

There is no question that the human rights situation is troubled. We have just analyzed it in detail in the annual human rights report just submitted to the Congress. The explosion of violence and counterviolence following the extreme left's receipt of outside support for guerrilla warfare has exacerbated already high historic levels of violence, strained the system of justice to the breaking point, and eroded normal social constraints against violence. Countless violations of human rights have arisen from partisan animosities of both left and right, personal vendettas, retaliations, provocations, intimidation, and sheer brutality. The breakdown has been profound; the society will take years to heal.

Accurate information is hard to establish. Responsibility for the overwhelming number of deaths is never legally determined nor usually ever accounted for by clear or coherent evidence. Seventy percent of the political murders known to our embassy were committed by unknown assailants. And there is much special pleading. For example, the legal aid office of the archbishopric, often cited by the international media and human rights organizations, lists no victims of guerrilla and terrorist violence from the left. In January Apostolic delegate Rivera y Damas deprived the legal aid office of any right to speak on behalf of the archbishopric. The prejudice of the other main organization that collects statistics—the Central American University—is evident in the heading it gives to statistics of persons killed by the guerrillas: "ajusticiados"—"justly executed." The organization that calls itself the Human Rights Commission—which occasionally issues statistics from outside the country—has become an insurgent propaganda vehicle and has no credibility.

Most difficult to assess of all are the repeated allegations of massacres. There are clearly incidents in which noncombatants have suffered terribly. One problem has already been referred to: the difficulty of determining responsibility and in the case of massacre allegations, even numbers. Another is that the insurgents have also repeatedly fabricated or inflated alleged mass murders as a means of propaganda.

- Last year, in a widely-publicized case, the massacre of 1,000 people in a cave was related by Radio Venceremos (and picked up in our media) in convincing detail, until it was determined that there are no large caves in the region where the atrocity supposedly occurred.

• More recently, our press published a detailed account of how American Green Berets had witnessed Salvadoran soldiers torturing prisoners. A careful investigation showed this report to be a Revolutionary Democratic Front/Farabundo Marti National Liberation Front (FDR/FMLN) fabrication.

• We sent two embassy officers to investigate recent reports of a massacre in the Morazan village of El Mozote. They reported that while it is clear that an armed confrontation between guerrillas occupying El Mozote and attacking government forces occurred last December, no evidence could be found to confirm that government forces systematically massacred civilians in the operation zone, nor that the number of civilians killed even remotely approached the 733 or 926 victims variously cited in press reports. In fact, the total population of El Mozote canton last December is estimated locally at only 300, and there are manifestly a great many people still there.

So we must be careful. We try to investigate every report we receive. We

use every opportunity to impress on the El Salvador Government and Army that we are serious about practicing human rights—and so must they be.

Results are coming slowly, but they are coming. Since October 1979, the Salvadoran authorities have done much more than repeatedly emphasize to officers and men the need to protect human rights. They have:

- Broken traditional links between large landowners and the security forces by outlawing the paramilitary organization ORDEN [Nationalistic Democratic Organization];

- Promulgated a military code of conduct that highlights the need to protect human rights;

- Transferred, retired, cashiered, or punished over 1,000 soldiers for various abuses of authority or for their cooperation with the violent right; and

- Gradually reasserted control over scattered local security personnel by strengthening the authority of the high command and repeated command discipline efforts.

In consequence, the level of noncombat violence—to judge by our best estimates and the trends even in opposition groups' figures—appears to have declined by more than half over the last year; this despite the fact that the guerrilla FMLN boasted on Radio Venceremos that it inflicted more than 2,000 casualties in the last 7 months of 1981.

But let me make this clear. Control of violence is at the center of our relationship with the Salvadoran Government. We mean to see it reduced to the minimum levels possible in the existing civil strife and to create conditions that will ultimately reduce the strife itself.

Economic Reforms

The law asks us to certify that El Salvador "is making continued progress in implementing essential economic and political reforms, including the land reform program." Progress in land reform has been substantial. Estates larger than 1,235 acres have been distributed to farmers who work on them. Compensation to former owners being made. A second part of the program transfers ownership of small farms to tenants and sharecroppers. The titling process has accelerated since midyear and provisional titles are now being issued at the rate of 4,000 per month.

In response to the government's request, the largest campesino organization, the Union Comunal Salvadoreña (UCS), representing over 100,000 peasants, submitted a report in December detailing the many problems with the program which remain to be addressed in the months ahead. When this report was used by others to criticize land reform implementation, the UCS went out of its way to emphasize that the government was responsive to its concerns and that the union expected to participate "massively" in the election. In its letter of January 25, 1981, the UCS said:

As for the Agrarian Document that was presented in an updated form to President Duarte by UCS in December 1981, dealing with the implementation of Decree 207, we note that many of the suggestions bearing therein have been taken into account by the Government. . . . This document was presented without any intention of giving ammunition to the enemies of the Land Reform Process. . . .

From December 1, 1981, the system of liaison between the Armed Forces and the UCS began to function and now we can rely on a high ranking responsible person who has a direct connection with the Ministry of Defense. . . . the political consciousness of the Salvadoran campesinos has changed substan-

U.S. To Observe El Salvador's Elections

DEPARTMENT STATEMENT, MAR. 1, 1982¹

The United States is pleased to announce its acceptance of the Government of El Salvador's invitation to send observers to witness the March 28 constituent assembly elections in that country.

The U.S. observer delegation will be headed by Senator Nancy Kassebaum. Other delegation members include Congressman Robert Livingston of Louisiana; Deputy Assistant Secretary of State for Inter-American Affairs Everett Briggs; the President of Notre Dame University, Father Theodore Hesburgh; Mr. Clark Kerr, President Emeritus of the University of California at Berkeley; and election specialists Richard Scammon and Howard Penniman.

Mr. Scammon and Mr. Penniman will make a preliminary visit to El Salvador this week to observe election preparations as well as the ongoing political campaign. The entire delegation will visit El Salvador during the final week of the campaign to witness the

polling and vote-counting process.

The U.S. Government is convinced that the electoral process represents an essential first step for a peaceful solution to El Salvador's political problems. The March 28 elections have been strongly endorsed within El Salvador by the Catholic Church and the nation's major peasant, labor, business, and professional organizations and externally by the overwhelming majority of members of the Organization of American States (OAS).

The OAS and five countries—Costa Rica, Colombia, the United Kingdom, Egypt, and Uruguay—have already publicly announced their intention to send observers. We anticipate that many Latin American democracies will also send observer-missions, as will several governments, political parties, or private organizations from other regions. The presence of this significant group of international observers will help insure the Salvadoran people an opportunity to choose their own leaders in free and fair elections.

¹Read to news correspondents by Department spokesman Dean Fischer. ■

ly, influenced by the agrarian changes that have taken place lately. . . . we understand that the vote is the weapon of democracy and at this time the elections will be an honor for us the definitive bond cementing the land tenure.

Elections

The law asks that we certify that the government is "committed to the holding of free elections at an early date." This is uncontestedly the case. Preparations for constituent assembly elections on March 28, 1982, are well-advanced. The new electoral law promulgated in December was drawn up after months of open discussion. Eight parties, ranging from the nonviolent left to the far right, are now participating in the campaign, which opened last week. Momentum is growing. The independent labor group of campesinos and trade unions (UPD) and the businessmen's association (CENEP) have appealed for the public to vote. Just two weeks ago, the Council of Bishops of El Salvador's Catholic Church stated:

We see in the elections . . . a possible beginning of a solution to the current crisis Through this Constituent Assembly election, we will pass from a *de facto* government to a constitutional government, which is of fundamental importance for the development of the country's life. . . . It would be ideal for all citizens to participate in the elections. That is why we regret that some of our brothers are rejecting them.

In December, the Organization of American States (OAS) General Assembly gave an overwhelming endorsement of the Salvadoran election process. The new Central American Democratic Community represents a similar endorsement of democratic principles and institutions by El Salvador and its near neighbors.

The law also asks us to certify that:

. . . to this end [that is, to the end of early free elections], [the government] has demonstrated its good faith efforts to begin discussions with all major political factions in El Salvador which have declared their willingness to find and implement an equitable solution to the conflict, with such solution to involve commitment to (A) a renunciation of further military or paramilitary activity; and (B) the electoral process with internationally recognized observers.

Last spring President Duarte invited all political parties and groups to renounce violence and participate in the elections after an advance dialogue on the ground rules. The Communist and Social Democratic Parties were both formally recognized and invited to participate.

Nonetheless, the FDR/FMLN—whose origin derives from the belief that armed struggle with Cuban support would bring victory from the muzzle of an imported gun—refused even to discuss election rules. The guerrillas have burned town halls, threatened to kill anyone found with voting ink on his finger, and assassinated and intimidated local officials and candidates.

An apparently authoritative December statement clarifies how the FDR/FMLN views elections. It says there should be a "plebiscite" to ratify the government 6 months after the guerrillas have gained a share of power. Voters would not have a choice between competing slates.

Apostolic administrator Rivera y Damas in his January 10 homily said that:

. . . not to believe in elections or not to see them in a solution gives no right to resort to blackmail and fraud on one hand, or sabotage on the other. I believe that voters have the right to express what they feel.

Murder Investigation

I am pleased to report the Salvadoran Government has made major progress in its investigation of the murder of the four American churchwomen. We expect indictments based on a strong case imminently.

U.S. Regional Interests

As you requested, I have discussed the specific items in the certification. Let me close by placing the developments in El Salvador in the context of our interests throughout the region.

The Caribbean Basin is at our southern border. Everything from migration to geopolitics and from common sense to narcotics dictates that we not ignore it. The Administration, the Congress, the American people have no choice but to face its problems together.

We have tried to convince Castro of the dangers of confrontation. In response, Cuba is systematically expanding its capacity to project military power beyond its own shores. Additional MiG-23/Floggers and 63,000 tons of war supplies from the Soviet Union have expanded Cuba's air, land, and sea arsenals out of all proportion to the capabilities of other countries in the region. The Cubans are aggressively organizing and supporting violent insurgencies throughout Central America.

We have also tried to communicate with the Nicaraguans. We offer a way out of confrontation if they will restrain

their military build-up and cease their support of insurgency in El Salvador. Instead, Nicaragua is allowing itself to be exploited as a base for the export of subversion and armed intervention throughout Central America. Soviet, East European, and Cuban military advisers have poured into Nicaragua to build with Soviet arms a military establishment larger than those of Nicaragua's neighbors combined. Internal repression has grown—for their large Miskito Indian minority, for what is left of the independent radio stations and press, for the church, for democratic political and business leaders. There is no mistaking that the decisive battle for Central America is underway in El Salvador.

For most of its life as a nation, our country has faced no threat from its neighbors. But, unless we act decisively now, the future could well bring more Cubas: totalitarian regimes so linked to the Soviet Union that they become factors in the military balance and so incompetent economically that their citizens' only hope becomes that of one day migrating to the United States.

The people of the Caribbean Basin are threatened by poverty, violence, and dictatorship as well as subversion.

- An acute economic crisis is troubling both Central America and the Caribbean. The area's small and vulnerable economies have felt the shock of the world recession hard. It is difficult to achieve or maintain democracy in the presence of bitter economic hardship, particularly if the social and economic consequences are unevenly distributed.

- Private and official lawlessness sometimes interact destructively with insurgency and external intervention. The fragility under stress of nascent democratic institutions brings chain reactions of disorder and abuse that too easily feed on each other and create conditions conducive to dictatorship.

- We fear erosion of faith in representative democracy and government institutions. Yet in deeply divided societies, only pluralistic institutions can enable people to live with each other without violence.

To gain the initiative, and make sure the area's besieged and aspiring democracies survive, the Administration proposes to:

- Support, bilaterally and multilaterally, the nascent Central American Democratic Community and its efforts to protect democracy and pro-

mote the common welfare, defense, and development;

- Provide needed military assistance to threatened El Salvador and Honduras. The President has decided to use emergency authority to draw on Department of Defense stocks for up to \$55 million to replace aircraft lost in the recent attack in Ilopango and assure that the Government of El Salvador has the means to defend its economy and protect the electoral process;

- Provide emergency financial assistance to several states in the area facing economic catastrophe. The Administration will shortly forward its proposals to the Congress; and

- Strengthen—along with our partners in the Nassau group, Venezuela, Mexico and, Canada—international cooperation to help bring long-term prosperity to the Caribbean Basin. The Administration will shortly send specific proposals in trade and investment to the Congress.

There is something else. If we do not sustain the struggle now, we shall fall back into that terrible vicious circle in which in Central America the only alternative to right-wing dictatorship is left-wing dictatorship.

Starting in October 1979, a military-civilian coalition committed to reform—land reform and the transformation of El Salvador into a democracy—shattered El Salvador's traditional narrowly-based authoritarian system. We supported the reforms then, we support them now. And real progress has been made—for all the civil strife, even though there is a long way to go, above all in bringing violence under control.

Some are proposing that we now cut off aid to El Salvador. I do not see how that would advance the goals embodied in the Foreign Assistance Act, whether they be security, democracy, or human rights. Clearly, the hope for democracy would be extinguished. The Soviet Union and Cuba would have a new opening to expand their access to the American mainland. And I wonder how it would promote human rights to make El Salvador into another Nicaragua.

Our intention is to keep up the pressure in order to promote the full scope of our interests in the region, interests we believe are widely shared in this country—defense of our national security interests against the Soviet/Cuban challenge and promotion of human freedom, including those social

and economic reforms that may be necessary to make the exercise of freedom meaningful.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Current Actions

MULTILATERAL

Antarctica

Recommendations relating to the furtherance of the principles and objectives of the Antarctic Treaty (TIAS 4780). Adopted at Buenos Aires July 7, 1981 at the 11th Antarctic Treaty Consultative meeting. Enters into force when approved by all contracting parties whose representatives were entitled to participate in meetings to consider measures.

Aviation

Convention for the suppression of unlawful seizure of aircraft. Done at The Hague Dec. 16, 1970. Entered into force Oct. 14, 1971. TIAS 7192.

Accession deposited: Liberia, Feb. 1, 1982.

Convention for the suppression of unlawful acts against the safety of civil aviation. Done at Montreal Sept. 23, 1971. TIAS 7570.

Accession deposited: Liberia, Feb. 1, 1982.

Protocol on the authentic quadrilingual text of the convention on international civil aviation (TIAS 1591), with annex. Done at Montreal Sept. 30, 1977.¹

Instrument of ratification signed by the President: Feb. 11, 1982.

Acceptance deposited: U.S., Feb. 11, 1982.

Protocol relating to an amendment to the convention on international civil aviation (TIAS 1591) [to add Russian as an authentic language of the convention]. Done at Montreal Sept. 30, 1977.¹

Instrument of ratification signed by the President: Feb. 11, 1982.

Protocol relating to an amendment to the convention on international civil aviation (TIAS 1591) [concerning lease, charter, and interchange]. Done at Montreal Oct. 6, 1980.¹

Instrument of ratification signed by the President: Feb. 5, 1982.

Collisions

Amendments to the international regulations for preventing collisions at sea, 1972 (TIAS 8587). Adopted at London Nov. 19, 1981. Enters into force June 1, 1983, unless by June 1, 1982, more than one-third of the con-

tracting parties have notified their objection to the amendments.

Commodities

Agreement establishing the Common Fund for Commodities, with schedules. Done at Geneva June 27, 1980.¹

Signatures: Central African Republic, Jan. 28, 1982; New Zealand, Feb. 12, 1982
Ratifications deposited: Papua New Guinea Jan. 27, 1982; Mexico, Feb. 11, 1982.

Conservation

Convention on the conservation of Antarctic marine living resources, with annex for an arbitral tribunal. Done at Canberra May 20, 1980.¹

Instrument of ratification signed by the President: Feb. 2, 1982.

Ratification deposited: U.S., Feb. 18, 1982.

Finance

Agreement establishing the International Fund for Agricultural Development. Done Rome June 13, 1976. Entered into force Nov. 30, 1977. TIAS 8765.

Accession deposited: Ivory Coast, Jan. 19, 1982.

Genocide

Convention on the prevention and punishment of the crime of genocide. Adopted at Paris Dec. 9, 1948. Entered into force Jan. 12, 1951.²

Accession deposited: Papua New Guinea, Jan. 27, 1982.

Load Lines

Amendments to the international convention on load lines, 1966 (TIAS 6331). Adopted at London Oct. 12, 1971.¹

Acceptances deposited: F.R.G., Apr. 29, 1981;³ Hungary, Jan. 5, 1982.

Amendments to the international convention on load lines, 1966 (TIAS 6331). Adopted at London Nov. 15, 1979.¹

Acceptances deposited: Greece, Nov. 10, 1981; Hungary, Jan. 5, 1982.

Maritime Matters

Amendment to article VII of the convention on facilitation of international maritime traffic, 1965 (TIAS 6251). Adopted at London Nov. 19, 1973.¹

Acceptance deposited: Monaco, Jan. 8, 1982

International convention on standards of training, certification, and watchkeeping for seafarers, 1978. Done at London July 7, 1978.¹

Ratification deposited: Norway, Jan. 18, 1982.

Approval deposited: China, June 8, 1981.

Accessions deposited: Czechoslovakia, May 1981; Colombia, July 27, 1981; Bangladesh, Nov. 6, 1981; Gabon, Jan. 21, 1982; Mexico, Feb. 2, 1982.

- Psychotropic Drugs**
 Protocol amending the single convention on psychotropic drugs, 1961. Done at Geneva Mar. 25, 1972. Entered into force Aug. 8, 1975. TIAS 8118.
Accession deposited: Gabon, Oct. 14, 1981.
- North Atlantic Treaty**
 Agreement to amend the protocol of signature to the agreement of Aug. 3, 1959, to supplement the agreement between the parties to the North Atlantic Treaty regarding the status of their forces with respect to reign forces stationed in the Federal Republic of Germany, as amended by the agreement of Oct. 21, 1971 (TIAS 5351, 59). Signed at Bonn May 18, 1981.¹
Ratification deposited: France, Feb. 3, 1982.
- Protocol to the North Atlantic Treaty (TIAS 964) on the accession of Spain. Done at Brussels Dec. 10, 1981.¹
Acceptances deposited: Norway, Feb. 25, 1982; Iceland, Feb. 26, 1982.
- Pollution**
 International convention relating to intervention on the high seas in cases of oil pollution casualties, with annex. Done at Brussels Nov. 29, 1969. Entered into force May 6, 1975. TIAS 8068.
Accessions deposited: Bangladesh, Nov. 6, 1981; Gabon, Jan. 21, 1982.
- International convention on civil liability for oil pollution damage. Done at Brussels Nov. 29, 1969. Entered into force June 19, 1975.²
Accession deposited: Gabon, Jan. 21, 1982.
- International convention on the establishment of an international fund for compensation for oil pollution damage. Done at Brussels Dec. 18, 1971. Entered into force Oct. 16, 1978.²
Accessions deposited: Spain, Oct. 8, 1981; Gabon, Jan. 21, 1982.
- International convention for the prevention of pollution from ships, 1973, with protocols and annexes. Done at London Nov. 2, 1973.¹
Ratification deposited: F.R.G., Jan. 21, 1982.⁴
Accessions deposited: Yugoslavia, Oct. 31, 1980; Colombia, July 27, 1981.
- Postal**
 Money orders and postal travellers' checks agreement with detailed regulations with final protocol. Done at Rio de Janeiro Oct. 6, 1979. Entered into force July 1, 1981. TIAS 9973.
Approvals deposited: Netherlands, Oct. 28, 1981; Netherlands Antilles, Oct. 28, 1981; Czechoslovakia, Nov. 13, 1981; Belgium, Dec. 30, 1981.
Ratifications deposited: Austria, Oct. 7, 1981; F.R.G., Dec. 11, 1981.⁴
- General regulations of the Universal Postal Union, with final protocol and annex, and the universal postal convention with final protocol and detailed regulations. Done at Rio de Janeiro Oct. 26, 1979. Entered into force July 1, 1981 except for Article 124 of the general regulations which became effective Jan. 1, 1981. TIAS 9972.
Approvals deposited: Netherlands, Oct. 28, 1981; Netherlands Antilles, Oct. 28, 1981; Australia, Nov. 2, 1981; Czechoslovakia, Nov. 13, 1981; Belgium, Dec. 30, 1981.
Ratifications deposited: Austria, Oct. 7, 1981; Ethiopia, Oct. 29, 1981; F.R.G., Dec. 11, 1981;⁴ Jamaica, Dec. 14, 1981; Swaziland, Dec. 17, 1981.⁵
Accession deposited: South Africa, Nov. 20, 1981.
- Property—Industrial**
 Convention of Paris for the protection of industrial property of Mar. 20, 1883, as revised. Done at Stockholm July 14, 1967. Entered into force Apr. 26, 1970; for the U.S. Sept. 5, 1970, except for Articles 1-12 entered into force May 19, 1970; for the U.S. Aug. 25, 1973. TIAS 7727.
Notification of accession deposited: Guinea, Nov. 5, 1981.
- Property—Industrial—Typefaces**
 Vienna agreement for the protection of typefaces and their international deposit, with regulations. Done at Vienna June 12, 1973.¹
Ratification deposited: F.R.G., Nov. 9, 1981.³
- Protocol to the Vienna agreement for the protection of typefaces and their international deposit concerning the term of protection. Done at Vienna June 12, 1973.¹
Accession deposited: F.R.G., Nov. 9, 1981.³
- Publications**
 Convention concerning the exchange of official publications and government documents between States. Signed at Paris Dec. 3, 1958. Entered into force May 30, 1961; for the U.S. June 9, 1968. TIAS 6439.
Notification of succession: Solomon Islands, Oct. 6, 1981.
- Racial Discrimination**
 International convention on the elimination of all forms of racial discrimination. Adopted at New York Dec. 21, 1965. Entered into force Jan. 4, 1969.²
Accession deposited: Papua New Guinea, Jan. 27, 1982.
- Refugees**
 Protocol relating to the status of refugees. Done at New York Jan. 31, 1967. Entered into force Oct. 4, 1967; for the U.S. Nov. 1, 1968. TIAS 6577.
Accession deposited: Bolivia, Feb. 9, 1982.
- Safety at Sea**
 Protocol of 1978 relating to the international convention for the safety of life at sea, 1974. Done at London Feb. 17, 1978. Entered into force May 1, 1981. TIAS 10009.
Accessions deposited: Israel, Aug. 21, 1981; South Africa, Jan. 11, 1982; Hungary, Feb. 3, 1982.
- Slave Trade**
 Convention to suppress slave trade and slavery. Concluded at Geneva Sept. 25, 1926. Entered into force Mar. 9, 1927; for the U.S. Mar. 21, 1929. 46 Stat. 2183.
Accession deposited: Papua New Guinea, Jan. 27, 1982.
- Protocol amending the slavery convention signed at Geneva on Sept. 25, 1926 (46 Stat. 2183), and Annex. Done at New York Dec. 7, 1953. Entered into force Dec. 7, 1953 for the Protocol; July 7, 1955 for Annex to Protocol. TIAS 3532.
Accession deposited: Papua New Guinea, Jan. 27, 1982.
- Telecommunications**
 International telecommunication convention with annexes and protocols. Done at Malaga-Torremolinos Oct. 25, 1973. Entered into force Jan. 1, 1975; for the U.S. April 7, 1976. TIAS 8572.
Accession deposited: Grenada, Nov. 17, 1981.
- Trade**
 Agreement on technical barriers to trade. Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1980. TIAS 9616.
Acceptance: Rwanda, Jan. 22, 1982.⁶
- Treaties**
 Vienna convention on the law of treaties, with annex. Done at Vienna May 23, 1969. Entered into force Jan. 27, 1980.²
Accession deposited: Egypt, Feb. 11, 1982.
- U.N. Industrial Development Organization**
 Constitution of the U.N. Industrial Development Organization, with annexes. Done at Vienna Apr. 8, 1979.¹
Ratifications deposited: Democratic Yemen, Jan. 29, 1982; Gabon, Feb. 1, 1982; Ghana, Feb. 8, 1982.
- Whaling**
 International whaling convention and schedule of whaling regulations, as amended. Done at Washington Dec. 2, 1946. Entered into force Nov. 10, 1948. TIAS 1849, 4228.
Territorial application: Netherlands Antilles, Feb. 16, 1982.
- Wheat**
 1981 protocol for the sixth extension of the wheat trade convention, 1971 (TIAS 7144). Done at Washington Mar. 24, 1981. Entered into force for the U.S. provisionally July 1, 1981, definitively Jan. 12, 1982.
Accession deposited: Nigeria, Feb. 4, 1982.
Ratification deposited: Guatemala, Feb. 4, 1982.
- Women**
 Convention on the elimination of all forms of discrimination against women. Adopted at New York Dec. 18, 1979. Entered into force Sept. 3, 1981.²
Ratifications deposited: Bulgaria, Feb. 8, 1982; Czechoslovakia, Feb. 16, 1982; Vietnam, Feb. 17, 1982.

World Health Organization

Amendments to Articles 24 and 25 of the constitution of the World Health Organization, as amended (TIAS 1808, 8086, 8534). Adopted at Geneva May 17, 1976 by the 29th World Health Assembly.¹
Acceptances deposited: Vietnam, Dec. 30, 1981; Ireland, Feb. 16, 1982.

Amendment to Article 74 of the Constitution of the World Health Organization, as amended (TIAS 1808, 8086, 8534). Adopted at Geneva May 18, 1978 by the 31st World Health Assembly.¹
Acceptance deposited: Netherlands, Jan. 5, 1982.

World Heritage

Convention concerning the protection of the world cultural and natural heritage. Done at Paris Nov. 23, 1972. Entered into force Dec. 17, 1975. TIAS 8226.
Acceptance deposited: Oman, Oct. 6, 1981.³

BILATERAL

Antigua and Barbuda

Agreement concerning the provision of training related to defense articles under the U.S. international military education and training (IMET) program. Effected by exchange of notes at St. John's Dec. 7 and 10, 1981. Entered into force Dec. 10, 1981.

Belgium

Agreement on social security, with final protocol. Signed at Washington Feb. 19, 1982. Enters into force on the first day of the second month following the month in which each Government shall have received from the other Government written notification that it has complied with all statutory and constitutional requirements for entry into force.

Belize

Agreement concerning the provisions of training related to defense articles under the U.S. international military education and training (IMET) program. Effected by exchange of notes at Belize and Belmopan Dec. 8, 1981 and Jan. 15, 1982. Entered into force Jan. 15, 1982.

Brazil

Arrangement for the exchange of technical information and cooperation in nuclear regulatory and safety research matters, with patent addendum. Signed at Rio de Janeiro Jan. 14, 1982. Entered into force Jan. 14, 1982.

Agreement on salted cattle hides, leather, and manufactured leather products. Effected by exchange of letters at Brasilia and Rio de Janeiro Jan. 14 and 22, 1982. Entered into force Feb. 1, 1982.

Canada

Treaty to submit to binding dispute settlement the delimitation of the maritime boundary in the Gulf of Maine area, with annexed

agreements, as amended. Signed at Washington Mar. 29, 1979. Entered into force Nov. 20, 1981.
Proclaimed by the President: Feb. 5, 1982.

Chile

Agreement relating to the establishment of a Peace Corps program. Effected by exchange of notes at Santiago Oct. 3 and 4, 1962. Entered into force Oct. 4, 1962. TIAS 5199.
Terminated: Mar. 31, 1982.

China

Consular convention, with exchange of notes. Signed at Washington Sept. 17, 1980. Entered into force Feb. 19, 1982.
Proclaimed by the President: Feb. 8, 1982.

Colombia

Agreement amending the agreement of Aug. 3, 1978, as amended (TIAS 9515), relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of letters at Bogota Sept. 23 and Dec. 11, 1981. Entered into force Dec. 11, 1981.

Egypt

Statement relating to greater support to economic progress in Egypt. Released at Washington Feb. 4, 1982. Entered into force Feb. 4, 1982.

Grant agreement in the amount of \$300 million for commodity imports. Signed at Washington Feb. 5, 1982. Entered into force Feb. 5, 1982.

Agreement amending the agreement for sales of agricultural commodities of Dec. 21, 1981. Effected by exchange of notes at Washington Feb. 5, 1982. Entered into force Feb. 5, 1982.

European Atomic Energy Community

Agreement in the field of nuclear material safeguards research and development, with annex. Signed at Brussels Jan. 28, 1982. Entered into force Jan. 28, 1982.

Federal Republic of Germany

Agreement amending and extending the memorandum of July 18, 1974, as amended and extended, on the participation of the F.R.G. in the International Phase of Ocean Drilling of the Deep Sea Drilling Project (TIAS 9233). Signed at Bonn-Bad Godesberg Nov. 16, 1981. Entered into force Nov. 16, 1981.

Jamaica

Loan agreement in the amount of \$38 million for production and employment. Signed at Kingston Dec. 29, 1981. Entered into force Dec. 29, 1981.

Israel

Agreement relating to a cash assistance grant in the amount of \$806 million during fiscal year 1982 to support the economic and political stability of Israel. Signed Dec. 31, 1981. Entered into force Dec. 31, 1981.

Korea

Memorandum of understanding concerning the prepositioning of U.S. Air Force combat communications assets in the Republic of Korea. Signed at Osan Oct. 15, Dec. 2 and 14, 1981. Entered into force Dec. 14, 1981.

Memorandum of understanding concerning establishing a permanent Taegu operation location. Signed at Osan Dec. 30, 1981 and Jan. 20, 1982. Entered into force Jan. 20, 1982.

Mexico

Agreement amending the agreement of June 2, 1977 (TIAS 8952) relating to additional cooperative arrangements to curb the illegal traffic in narcotics. Effected by exchange of letters at Mexico Jan. 6 and 8, 1982. Entered into force Jan. 8, 1982.

Agreement amending the agreement of Dec. 3, 1979 (TIAS 9696) relating to additional cooperative arrangements to curb the illegal traffic in narcotics. Effected by exchange of letters at Mexico Dec. 29, 1981. Entered into force Dec. 29, 1981.

Agreement amending and extending the agreement of Feb. 26, 1979, as amended (TIAS 9419), relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of letters at Washington Dec. 23 and 24, 1981. Entered into force Dec. 24, 1981.

Agreement amending the agreement of Jun 23, 1976 on procedures for mutual assistance in the administration of justice in connection with the General Tire and Rubber Company and the Firestone Tire and Rubber Company matters (TIAS 8533) to include a company which is the subject of U.S. Department of Justice investigation No. MA 105. Effected by exchange of letters at Mexico and Washington Nov. 10 and 25, 1981. Entered into force Nov. 25, 1981.

Agreement amending the agreement of Jun 23, 1976 on procedures for mutual assistance in the administration of justice in connection with the General Tire and Rubber Company and the Firestone Tire and Rubber Company matters (TIAS 8533) to include several companies which are the subject of U.S. Department of Justice investigation No. MA101. Effected by exchange of letters at Washington and Mexico Aug. 25 and Nov. 9, 1981. Entered into force Nov. 9, 1981.

Morocco

Agreement for sales of agricultural commodities, relating to the agreement of May 17, 1976 (TIAS 8309). Signed at Rabat Jan. 19, 1982. Entered into force Jan. 19, 1982.

NATO Maintenance and Supply Organization (NAMSCO)

Basic agreement on mutual support, with annex. Signed at Stuttgart-Vaihingen Feb. 2, 1982. Entered into force Feb. 2, 1982.

Pakistan

Agreement amending the agreement of Jan. 4 and 9, 1978, as amended (TIAS 9050,

61, 9804), relating to trade in cotton textiles. Effected by exchange of letters at Washington Oct. 28 and Nov. 3, 1981. Entered into force Nov. 3, 1981.

Saudi Arabia
Agreement extending the agreement of May 24 and June 5, 1965, as extended (TIAS 830, 9590), relating to the construction of certain military facilities in Saudi Arabia. Effected by exchange of notes at Jidda May 18 and July 22, 1981. Entered into force July 22, 1981; effective May 24, 1981.

Sudan
Agreement relating to the status of U.S. personnel temporarily stationed in Sudan. Effected by exchange of letters at Khartoum Nov. 12 and Dec. 27, 1981. Entered into force Dec. 27, 1981.

Turkey
Assistance agreement in the amount of \$100 million for balance-of-payments financing to support and promote the financial stability and economic recovery of Turkey. Signed at Ankara Nov. 20, 1981. Entered into force Nov. 20, 1981.

United Kingdom
Agreement amending and extending the memorandum of understanding of Sept. 29, 1975, as amended and extended, on the participation of the U.K. in the International Base of Ocean Drilling an extension of the Deep Sea Drilling Project (TIAS 8591, 9410). Signed at Washington and Swindon Dec. 31, 1981 and Jan. 14, 1982. Entered into force Jan. 14, 1982.

¹Not in force.
²Not in force for the U.S.
³With declaration.
⁴Applicable to Berlin (West).
⁵With reservation.
⁶Subject to ratification. ■

February 1982

February 2
In a joint resolution denouncing the Soviet invasion of Afghanistan and praising the Afghan "freedom fighters," both Houses of Congress call on President Reagan to designate March 21 as "Afghanistan Day." The resolution also urges the American people to observe the occasion with ceremonies and activities commemorating the struggle of the Afghan people and calls for an early negotiation to end the Soviet occupation of that country.

Egyptian President Mohamed Hosni Mubarak makes State visit to the U.S. Feb. 2-5.

February 5
In official ceremonies, President Reagan announces that he is launching the first agricultural task force to Peru to help that

Government find ways of improving its agricultural production and marketing policies. The task force will be headed by Dr. Clayton Yeutter, President of the Chicago Mercantile Exchange.

The following newly appointed Ambassadors presented their credentials to President Reagan: Nicolas Karandreas of Greece; Chitmansing Jerrerasing of Mauritius; Dr. Cedric Hilburn Grant of Guyana; and Julio Sanjines Goitia of Bolivia.

In the 9th special emergency session, the U.N. General Assembly adopts a nonbinding resolution, by a vote of 86 to 21 (U.S. voted against) with 34 abstentions and 16 countries not voting, calling on all members to end aid, trade, and diplomatic ties with Israel and to "cease forthwith, individually and collectively, all dealing with Israel in order totally to isolate it in all fields" as punishment for that Government's decision to extend its law, jurisdiction, and administration to the Golan Heights.

February 7
Secretary Haig departs Washington to make official visits to Madrid (Feb. 7-10) where he participates in the plenary session of the CSCE Review Conference held Feb. 9, and holds bilateral meetings with King Juan Carlos, Prime Minister Calvo-Sotelo, and Foreign Minister Perez-Llorca; Lisbon (Feb. 10-11) for bilaterals with President Eanes, Prime Minister Pinto Balsemao, and Foreign Minister Goncalves Pereira; Marrakech (Feb. 11-12) for bilaterals with King Hassan II; and Bucharest (Feb. 12-13) for discussions with President Ceausescu, Foreign Minister Andrei, and other Romanian officials. The Secretary returned to Washington Feb. 13.
Yugoslav Vice Premier Zvone Dragan makes official visit to the U.S. Feb. 7-10 to meet with Vice President Bush, Acting Secretary Stoessel, and U.S. energy trade officials.

February 8
Senate confirms Walter J. Stoessel, Jr. to be Deputy Secretary of State.

February 9
The 35-nation Conference on European Security and Cooperation resumes in Madrid. On Dec. 18, 1981, the Conference adjourned with participants agreeing to return in February to complete a supplement to the 1975 Helsinki agreement. In a press conference following his speech to the plenary session, Secretary Haig states that "the instigation of martial law in Poland and the crushing of civil and political rights . . . constitute a new threat to the CSCE process" and while the situation persists, the U.S. will not "conduct business as usual."

February 12
U.S. and Morocco announce the formation of a joint military commission and agree to open discussions at the request of the United States for facilities access rights for the U.S. Rapid Deployment Force.

State Department announces the appointment of Richard Fairbanks as Secretary

Haig's "Special Adviser" to the negotiations for Palestinian autonomy in the West Bank and Gaza under the Camp David accords.

February 16
By a vote of 19 to 0 (3 abstentions) the Organization of American States decides to accede to El Salvador's request for election observers during the period Feb. 15 through Mar. 30.

Belgian Prime Minister Wilfried Martens makes official working visit to Washington, D.C., Feb. 16-18.

The following newly appointed Ambassadors presented their credentials to President Reagan: Bernard Vernier-Palliez of France; Francisco Feallos Navarro of Nicaragua; Franklin Baron of Dominica; and Moshe Arens of Israel.

February 24
In a speech to the Organization of American States, President Reagan announces a new "integrated" program to help the Caribbean and Central American nations to "help themselves—a program that will create conditions under which creativity, private entrepreneurship and self-help can flourish." The program's "centerpiece"—a joint effort with Canada, Mexico, and Venezuela—will be "free trade for Caribbean Basin products exported to the United States" in all areas except textiles and apparel which are governed by international agreements.

February 25
By a vote of 13 to 0 (Soviet Union and Poland abstaining), U.N. Security Council passes a resolution increasing by 1,000 the number of troops (6,000) to its peacekeeping forces in southern Lebanon.

Norway becomes the second NATO member country to deposit an instrument of ratification of the Protocol inviting Spain to join NATO.

February 28
In an exchange of letters between President Reagan and Chinese Premier Zhao Ziyang, released simultaneously in Beijing and Washington, the U.S. and China commemorate the 10th anniversary of the signing of the Shanghai Communiqué. ■

Department of State

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

No.	Date	Subject
*35	2/2	Haig, Hassan Ali: arrival remarks, Cairo, Jan. 28.
*36	2/3	Haig, Hassan Ali: departure remarks, Cairo, Jan. 29.
*37	2/3	Haig: remarks following meeting with Prime Minister Thatcher, London, Jan. 29.

*38	2/2	Program for the State visit to the U.S. of His Excellency Mohamed Hosni Mubarak, President of the Arab Republic of Egypt, and Mrs. Mubarak, Feb. 2-5.	*57	2/11	Fine Arts Committee, Mar. 6.
*39	2/2	Haig: remarks at Solidarity Day rally, Chicago, Jan. 30.	*58	2/11	Advisory Committee on International Investment, Technology, and Development, working group on transborder data flows, Mar. 23.
40	2/2	Haig: statement before the Senate Foreign Relations Committee.	59	2/16	Haig: news conference, Madrid, Feb. 10.
*41	2/2	Haig: remarks after meeting with President Mubarak, Cairo, Jan. 28.	*59A	3/2	Haig: statement upon arrival in Madrid, Feb. 7.
*42	2/2	U.S., Mexico extend bilateral textile agreement.	*60	2/17	Haig: arrival remarks, Lisbon, Feb. 10.
*43	2/2	Advisory Committee on the Law of the Sea, Feb. 18 (partially closed).	*61	2/19	Haig: dinner toasts in the Palacio Das Necesidades, Lisbon, Feb. 10.
*44	2/2	Shipping Coordinating Committee (SCC), Subcommittee on Safety of Life at Sea (SOLAS), working group on the carriage of dangerous goods, Feb. 17.	62	2/19	Haig: departure statement, news conference, Lisbon, Feb. 11.
*45	2/2	SCC, SOLAS, working group on radio communications, Feb. 18.	*63	2/19	Haig: arrival statement, Marrakech, Feb. 11.
*46	2/2	SCC, SOLAS, working groups on subdivision, stability, and load lines and on safety of fishing vessels, Mar. 2.	*64	2/12	Program for the official visit of Belgian Prime Minister Wilfried Martens, Feb. 16-8.
*47	2/2	SCC, SOLAS (open meeting), Mar. 22.	*65	2/18	Haig: remarks upon arrival, Bucharest, Feb. 13.
*48	2/2	Advisory Committee on International Investment, Technology, and Development, working group on transfer of technology, Feb. 18.	66	2/19	Haig: press conference, Rabat, Feb. 12.
*49	2/2	Oceans and International Environmental and Scientific Affairs Advisory Committee, Antarctic section, Mar. 18.	*67	2/16	Haig: interview on "This Week With David Brinkley," Feb. 14.
*50	2/4	U.S., Japanese meet on nuclear energy matters, Feb. 1 and 2.	*68	2/16	Fred J. Eckert sworn in as Ambassador to Fiji, Kiribati, Tonga, and Tuvalu (biographic data).
51	2/5	Haig: press conference on Egyptian President Mubarak's visit.	69	2/17	Haig: news conference, Bucharest.
52	2/9	Haig: statement at CSCE Conference, Madrid.	*70	2/17	Haig: interview on "The Macneil/Lehrer Report," Feb. 16.
*53	2/11	Secretary's Advisory Committee on Private International Law, study group on international child abduction, Mar. 12.	*71	2/17	Presidential Commission on Broadcasting to Cuba, Mar. 2 (partially closed).
54	2/16	Haig: news conference, Madrid, Feb. 10.	*72	2/17	International Telegraph and Telephone Consultative Committee (CCITT), study group A, Mar. 17.
*55	2/11	Advisory Committee on International Investment, Technology, and Development, working group on energy and development, Mar. 18.	*73	2/18	Fred M. Zeder II sworn in as U.S. Representative for Micronesia status negotiations (biographic data).
*56	2/11	SCC, SOLAS, working group on standards of training and watchkeeping, Mar. 4.	*74	2/22	Haig: news conference, Bal Harbour, Fla., Feb. 19.
			*75	2/23	Haig: address and question-and-answer session at National Governors' Association, Feb. 22.
			*76	2/23	Haig: interview with Belgian press, Feb. 21.
			77	2/24	Joint U.S.-Canada statement on Transboundary Air Pollution.
			*78	2/25	U.S. makes contribution for Khmer relief.
			*79	2/25	Michael H. Armacost sworn in as Ambassador to the Philippines (biographic data).

*Not printed in the BULLETIN.■

Department of State

Free, single copies of the following Department of State publications are available from the Public Information Service, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.

President Reagan

Law of the Sea, statement by the President and statement by Special Representative the President for the Third U.N. Conference on the Law of the Sea Ambassador Malone before the House Merchant Marine and Fisheries Committee, Feb. 22, 1982 (Current Policy #371).
Caribbean Basin Initiative, Organization of American States, Washington, D.C., Feb. 24, 1982 (Current Policy #370).

Secretary Haig

Europe at the Crossroads, Conference on Security and Cooperation in Europe (CSCE), Madrid, Feb. 9, 1982 (Current Policy #367).
News Conference on the Middle East, Feb. 1982 (Current Policy #366).
Current International Developments, Senate Foreign Relations Committee, Feb. 2, 1982 (Current Policy #365).
Poland Has Not Perished, Solidarity Day rally, Chicago, Jan. 10, 1982 (Current Policy #363).

Africa

Background Notes on Senegal, Dec. 1981.

Europe

In Defense of Western Values, Director of the Bureau of Politico-Military Affairs Burt, Copenhagen Regional Seminar, Copenhagen, Denmark, Feb. 5, 1982 (Current Policy #368).
Background Notes on France, Jan. 1982.

Pacific Affairs

Background Notes on Nauru, Dec. 1981.

Security Assistance

Proposed Sale of Aircraft to Venezuela, Under Secretary Buckley, Senate Foreign Relations Committee, Feb. 5, 1982 (Current Policy #369).

Western Hemisphere

Democracy and Security in the Caribbean Basin, Assistant Secretary Enders, Subcommittee on Western Hemisphere Affairs, Senate Foreign Relations Committee, and Subcommittee on Inter-American Affairs, House Foreign Affairs Committee, Feb. 1 & 2, 1982 (Current Policy #364).
Treaty of Tlatelolco (GIST, Feb. 1982).■

Afghanistan. Afghanistan Day: March 21 (Stoessel) 85
Arms Control. INF Negotiations (Reagan) 50
Canada. U.S.-Canada Transboundary Air Pollution Negotiations (Niles, joint statement) 50
China. 10th Anniversary of Shanghai Communiqué (Reagan, Zhao) 60
Congress
 Afghanistan Day: March 21 (Stoessel) 85
 The Certification for El Salvador (Enders) 87
 Country Reports on Human Rights Practices 71
 Human Rights Situation in El Salvador (Abrams) 68
 Human Rights Situation in Nicaragua (Abrams) 69
 Japan and the United States: A Cooperative Relationship (Holdridge) 52
 Polish Debt Situation (Hormats) 61
 Proposed FY 1983 Foreign Assistance Program (Haig) 36
 Proposed Sale of Aircraft to Venezuela (Buckley) 84
 Soviet Energy Development and the Western Alliance (Johnston) 62
 U.S.-Canada Transboundary Air Pollution Negotiations (Niles, joint statement) 50
Economic Assistance
 Background on the Caribbean Basin Initiative 7
 Caribbean Basin Initiative (Reagan) 1
 Update on International Developments (Haig) 33
Economics
 Japan and the United States: A Cooperative Relationship (Holdridge) 52
 Polish Debt Situation (Hormats) 61
Egypt
 Secretary's News Conference on President Mubarak's Visit 80
 Visit of Egyptian President Mubarak (Mubarak, Reagan) 77
El Salvador
 The Certification for El Salvador (Enders) 87
 Human Rights Situation in El Salvador (Abrams) 68
 U.S. To Observe El Salvador's Elections (Department statement) 88
Energy. Soviet Energy Development and the Western Alliance (Johnston) 62
Environment. U.S.-Canada Transboundary Air Pollution Negotiations (Niles, joint statement) 50

Europe.
 In Defense of Western Values (Burt) 65
 Secretary Haig Visits Europe and North Africa (news conferences, statement) 37
 Soviet Energy Development and the Western Alliance (Johnston) 62
Foreign Aid. Proposed FY 1983 Foreign Assistance Program (Haig) 36
Human Rights
 Country Reports on Human Rights Practices 71
 Human Rights Situation in El Salvador (Abrams) 68
 Human Rights Situation in Nicaragua (Abrams) 69
Japan. Japan and the United States: A Cooperative Relationship (Holdridge) 52
Latin America and the Caribbean
 Background on the Caribbean Basin Initiative 7
 Caribbean Basin Initiative (Reagan) 1
 Update on International Developments (Haig) 33
Middle East
 Military Assistance Policies for the Middle East (President's letter) 83
 Secretary's News Conference on President Mubarak's Visit 80
Morocco. Secretary Haig Visits Europe and North Africa (news conferences, statement) 37
Nicaragua. Human Rights Situation in Nicaragua (Abrams) 69
North Atlantic Treaty Organization. In Defense of Western Values (Burt) 65
Organization of American States. Caribbean Basin Initiative (Reagan) 1
Poland
 Poland Debt Situation (Hormats) 61
 Situation in Poland (Department statements) 67
 Update on International Developments (Haig) 33
Portugal. Secretary Haig Visits Europe and North Africa (news conferences, statement) 37
Presidential Documents
 Caribbean Basin Initiative 1
 INF Negotiations 50
 Military Assistance Policies for the Middle East (President's letter) 83
 10th Anniversary of Shanghai Communiqué (Reagan, Zhao) 60
 Visit of Egyptian President Mubarak (Mubarak, Reagan) 77
Publications. Department of State 94
Romania. Secretary Haig Visits Europe and North Africa (news conferences, statement) 37
Science and Technology. Soviet Energy Development and the Western Alliance (Johnston) 62

Security Assistance
 Background on the Caribbean Basin Initiative 7
 Caribbean Basin Initiative (Reagan) 1
 Proposed FY 1983 Foreign Assistance Program (Haig) 36
 Proposed Sale of Aircraft to Venezuela (Buckley) 84
Spain. Secretary Haig Visits Europe and North Africa (news conferences, statement) 37
Trade. Japan and the United States: A Cooperative Relationship (Holdridge) 52
Treaties. Current Actions 90
U.S.S.R.
 Afghanistan Day: March 21 (Stoessel) 85
 INF Negotiations (Reagan) 50
 Soviet Energy Development and the Western Alliance (Johnston) 62
 Update on International Developments (Haig) 33
Venezuela. Proposed Sale of Aircraft to Venezuela (Buckley) 84

Name Index

Abrams, Elliott 68, 69
 Buckley, James L 84
 Burt, Richard R 65
 Enders, Thomas O 87
 Haig, Secretary 33, 36, 37, 80
 Holdridge, John H 52
 Hormats, Robert D 61
 Johnston, Ernest B. Jr 62
 Mubarak, Mohamed Hosni 77
 Niles, Thomas M. T 50
 Reagan, President 1, 50, 60, 77, 83
 Stoessel, Walter J. Jr 85
 Zhao Ziyang 60

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82 / 2062

Department
of State
bulletin

The Official Monthly Record of United States Foreign Policy / Volume 82 / Number 2062

May 1982



**U.S. - Netherlands:
A Bicentennial / 1**

Department of State bulletin

Volume 82 / Number 2062 / May 1982

Cover:

Her Majesty Queen Beatrix and His Royal Highness Prince Claus attend dinner in their honor hosted by the President and Mrs. Reagan

(White House photo by Bill Fitz-Patrick)

The DEPARTMENT OF STATE BULLETIN, published by the Office of Public Communication in the Bureau of Public Affairs, is the official record of U.S. foreign policy. Its purpose is to provide the public, the Congress, and government agencies with information on developments in U.S. foreign relations and the work of the Department of State and the Foreign Service.

The BULLETIN'S contents include major addresses and news conferences of the President and the Secretary of State; statements made before congressional committees by the Secretary and other senior State Department officials; special features and articles on international affairs; selected press releases issued by the White House, the Department, and the U.S. Mission to the United Nations; and treaties and other agreements to which the United States is or may become a party.

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CONTENTS

FEATURE

- 1 "The most friendly and beneficial connexion:" The Netherlands Recognizes the United States, April 19, 1782 (*Sherrill Brown Wells*)
- 25 Visit of Netherlands Queen Beatrix (*Arrival Remarks, Dinner Toasts*)

The President

- 29 News Conference of March 31 (*Excerpts*)

The Secretary

- 31 Peace and Deterrence
- 35 Interview on "Meet the Press"

Arms Control

- 38 U.S. Responds to Soviet Missile Proposal (*President Reagan, Larry Speakes*)
- 39 Arms Control in Proper Perspective (*Eugene V. Rostow*)
- 42 Nuclear Freeze (*Richard R. Burt*)
- 44 Status of INF Negotiations (*Paul H. Nitze*)

East Asia

- 45 ASEAN-U.S. Dialogue (*Walter J. Stoessel, Jr., Joint Press Statement*)

Europe

- 48 U.S.-NATO Defense Relationship (*Lawrence S. Eagleburger*)
- 49 Sixth Report on Cyprus (*President Reagan's Message to the Congress*)
- 50 Alliance Strategy and the INF Negotiations (*Richard R. Burt*)
- 53 Current State of the CSCE Process (*Lawrence S. Eagleburger*)

- 54 Proposed CSCE Conference Recess (*Department Statement*)
- 55 Visit of French President Mitterrand (*Francois Mitterrand, President Reagan*)
- 56 Human Rights in Poland (*Department Statement*)

Military Affairs

- 57 U.S. Issues Report on Chemical Warfare (*Walter J. Stoessel, Jr.*)
- 58 U.S. Program To Deter Chemical Warfare (*Fact Sheet*)
- 59 U.S. Sale of Trident II Missile Systems to the U.K. (*White House Statement, Exchange of Letters*)

Oceans

- 61 U.S. Participation in Law of the Sea Conference (*James L. Malone*)

Terrorism

- 63 Terrorist Attacks on U.S. Official Personnel Abroad, 1981 (*Evan Duncan*)

Western Hemisphere

- 64 Caribbean Basin Initiative Reviewed by Foreign Ministers (*Joint News Conference, Joint Communique*)

- 68 Secretary Meets With Mexican Foreign Minister (*News Briefing*)
- 68 U.S.-Jamaica Barter Agreement (*White House Announcement*)
- 71 Secretary Meets With Central American Foreign Ministers (*Secretary Haig*)
- 72 Cuban and Nicaraguan Support for the Salvadoran Insurgency
- 74 El Salvador's Elections (*Secretary Haig*)

Treaties

- 77 Current Actions

Chronology

- 80 March 1982

Press Releases

- 81 Department of State

Publications

- 82 Department of State

Index

SPECIAL (See Center Section)

Atlas of U.S. Foreign Relations: National Security



Allegory on the Recognition of the United States by the Netherlands. A woman on a pedestal representing America, with the coats-of-arms of the United States, France, and Amsterdam, is trampling upon the fallen figure of England, while to the right the King of France pushes down the British crown. On the left the Mayor of Amsterdam offers to America the 1778 secret treaty of Aix-la-Chapelle, which was a draft agreement between the United Provinces and the United States and was called the Preparatory Plan. The translation of the caption is as follows: "America tramples down angry Albion, while the British crown is crushed by the Bourbon, and America, in the person of Adams, is recognized by the Netherlands after the example of the citizens of Amsterdam." (Private Collection of J.W. Schulte Nordholt)



“The most friendly and beneficial connexion”

The Netherlands Recognizes the United States

April 19, 1782

April 19, 1982, marked the 200th anniversary of the establishment of diplomatic relations between the Netherlands and the United States—the United States’ longest unbroken, peaceful relationship with any foreign power.

In recognition of this relationship, President Reagan called on Americans to join with the citizens of the Netherlands in observing the occasion with appropriate ceremonies and activities which included a state visit to the United States by Her

Majesty Queen Beatrix and His Royal Highness Prince Claus April 18–24. The Queen was the third reigning Monarch of the Netherlands to visit the United States; her grandmother, Queen Wilhelmina, visited in 1942, and her mother, Queen Juliana, in 1952.

In connection with the celebration, following is a reprint of a paper prepared by Sherrill Brown Wells of the Office of the Historian, Bureau of Public Affairs, Department of State.

Establishment of diplomatic relations between the United Provinces of the Netherlands and the United States on April 19, 1782, marked a significant event in the history of the two nations.¹ Linked with America by common traditions of intellectual and political freedom, as well as by financial, commercial, and cultural ties, the Netherlands was the second country—after France—to recognize the Thirteen Colonies as an independent and sovereign nation.

From the beginning of the War for Independence, the American revolutionaries found sympathy among the Dutch, who had won their own independence from Spain two centuries before and who shared the Americans' views on the importance of seapower, free trade, and neutral rights on the high seas. But widespread British influence in the United Provinces and fear of British retaliation against Dutch shipping delayed concrete demonstrations of support for the Colonies until the tide of battle turned in favor of the rebels. While American diplomat John Adams' initial months in the Netherlands were full of perplexity over the workings of Dutch political institutions and frustration at the procrastination of the government and financiers, in the end he saw the establishment of official relations and the conclusion of a treaty of amity and commerce between the two republics on October 8, 1782, as "the greatest action of my life."²

It was clearly more than a personal triumph. As one historian has observed, the two countries dealt with one another as equals, and the Dutch actions "established the value of the United States in the eyes of the world, thereby marking a step forward in the independent national life of the new commonwealth."³ A year later—October 31, 1783—the first Dutch Minister to the United States, Pieter Johan van Berckel, presented his credentials to the Continental Congress.

The International Setting

An already flourishing Dutch trade with the Colonies increased after the American Revolution erupted in the spring of 1775. Much of this trade was carried on at the Dutch island of Sint Eustatius in the Caribbean, where American merchants exchanged their products for gunpowder, iron, and other goods. Much to the annoyance of the British, the Dutch soon became a most important supplier of munitions to the American insurgents.

To gain European support for the war against Great Britain, the Continental Congress in November 1775 instructed the Committee of Secret Correspondence to write to certain agents in England and France to ascertain the attitudes of the major powers toward the rebellion. On behalf of the committee, Benjamin Franklin asked an old friend, Charles Guillaume Frédéric Dumas, to act as the American agent in the Dutch Republic. A man of letters and a capable linguist, Dumas was a naturalized Dutch citizen of Swiss origin who had long been fascinated by life in colonial America and who was an early supporter of the Colonies' rebellion. Franklin also made an urgent request for arms and ammunition. Dumas willingly accepted the offer, and his enthusiasm and incessant efforts on behalf of the American cause contributed significantly to the success of John Adams' mission to the Netherlands a few years later.

France, England's archenemy, was the first power to respond to the appeals of the American rebels. A few months after the Colonies proclaimed independence in July 1776, Congress sent a commission to France, headed by Franklin, to obtain funds and munitions. At Versailles on February 6, 1778, France signed treaties of alliance and

U.S.-Netherlands:
A Bicentennial

John Adams (1735–1826), born in Braintree (now Quincy), Massachusetts, was educated at Harvard University and elected a delegate to the First Continental Congress in 1774. A signer of the Declaration of Independence, Adams served as a commissioner to France 1777–1779, before being appointed as Minister to the Netherlands in January 1781. He was received by the Dutch Government on April 19, 1782. Later that year he secured loans in the Netherlands and negotiated a treaty of amity and commerce. He then joined other American diplomats in Paris to negotiate the treaty of peace with Great Britain. He served as Vice President under George Washington, 1789–1797, and as the second President of the United States, 1797–1801. (Courtesy Harvard University Portrait Collection, Bequest-Ward Nicholas Boylston, 1828)

friendship with the United States, thereby becoming the first country to recognize the Thirteen Colonies as an independent nation.

French recognition created a difficult foreign policy problem for the Dutch Republic. On the one hand, it was tied to Britain by two treaties—a commercial treaty of 1674 and an alliance of 1678; moreover, its weak army and unprotected borders made it vulnerable to invasion by the French. On the other hand, an alliance with France would expose Dutch shipping—the major source of wealth—to attack and destruction by the powerful British Navy. In addition, many of the Dutch feared a possible reconciliation between England and the United States or recognition by England of American independence in exchange for a monopoly on the American trade.

The preservation of its existing trade became increasingly important because, in contrast to its great commercial prosperity of the previous century, the Dutch economy had declined in the 1700s. Moreover, the Netherlands was losing its traditional position as a staples market of Europe. While the Netherlands was still a major factor in commercial shipping from the Baltic to the Caribbean, many of the Dutch knew that their vulnerability to British seapower meant that neutrality, which allowed them to profit from trade with France and other belligerents, was the best guarantee of their independence and commerce.

Even though part of the Dutch people favored neutrality, this issue divided the major domestic political factions. The Orangists—the party of the Stadholder, Prince Willem V of Orange—traditionally favored close ties with England. The pro-French Patriots, by contrast, held republican views and sympathized with the United States on philosophical grounds. In France and Russia, they saw a counterbalance to the pervasive English influence in the economic and political life of the United Provinces. Another group, the merchants of the principal seaports, supported trade with France and America, and while they did

not agree with the political philosophy of the Patriots, they joined them in their strategy of obstructing the Stadholder. This power struggle between the chief of state and the municipalities, dominated by the wealthy bourgeoisie, continued throughout 1779 and 1780.

The reaction to the arrival of the American Navy Captain John Paul Jones in Dutch waters with captured British ships on October 4, 1779, underscored the complexity of the Dutch situation. While the people of Amsterdam gave Jones an enthusiastic reception, the English Ambassador, Sir Joseph Yorke, strongly urged the Stadholder to take firm action against Jones. However, the States General, not the Stadholder, had sovereign powers in foreign affairs, and this body was in no hurry to decide the

question. Finally, after 3 months of maneuvering by British and French diplomats in the Netherlands, the States General required Jones to leave.

The question of neutral rights concerned Russia as well as the Netherlands. In February 1780, Catherine II of Russia proclaimed a code of maritime principles for the protection of neutrals and asked other sovereigns to join her in the League of Armed Neutrality. Many nations responded; even the rebellious Colonies were interested. On October 5 Congress adopted a resolution stating its support for the league and its desire to join if invited. On December 10 the Dutch Republic announced it would accede to the league; less than two weeks later it found itself unexpectedly and involuntarily at war with Great Britain.



(Independence National Historical Park,
Philadelphia)

John Paul Jones

In early October 1779, a week after he fought his famous battle with the *Serapis* during which he lost his flagship the *Bonhomme Richard*, John Paul Jones entered neutral Dutch waters with his remaining damaged ships and the captured British vessels. British Ambassador Sir Joseph Yorke demanded that the seized

ships and their crews be released and that the Dutch Government hand over Jones to the British authorities as a criminal. Although Willem V was sympathetic to the British demands, the States General delayed taking any action. In the meantime, Jones became a celebrity in the Netherlands. People mobbed him on the streets, and spontaneous ovations broke out when he attended the theater in Amsterdam. To this day Dutch children recite a verse in his honor:

Here comes John Paul Jones,
About him ev'ry Dutchman raves!
His ship went down 'neath the waves,
An English ship he boards and owns,
If we had him here, If they had him
there,
There is still no end to all his pluck,
He's ready again to try his luck.

Provision was made to care for the British prisoners, and the French Navy eventually assumed control of the captured ships. Finally, on December 27, 1779, having obtained supplies and seen to the repair of his own ships, Jones bowed to pressure from the Dutch Admiralty and sailed from the Netherlands.



War Between the Netherlands and Great Britain

Great Britain declared war on the Netherlands on December 21, 1780, after accusing the Dutch of negotiating a secret treaty with the American rebels. Since 1776 American agents and Dutch bankers had been holding talks in Amsterdam about the possibility of negotiating a loan for the United States. Lack of official relations and uncertainty in the Netherlands about American credit were major obstacles in these negotiations. But in September 1778, William Lee, the representative of the Continental Congress to the Courts of Berlin and Vienna, and Jean de Neufville, a prominent Amsterdam merchant and banker, secretly drew up a draft treaty of amity and commerce between the United Provinces and the Thirteen States of North America without authorization from either of their governments. It was modeled on the Franco-American treaty of 1778 and strongly supported by Engelbert François van Berckel, one of its initiators, who was Amsterdam's Pensionary and one of its most powerful magistrates. The draft accord demonstrated the desire of the Amsterdam magistrates to restrain Congress from making agreements disadvantageous to the Netherlands and to provide American leaders with proof of their pro-American sentiments.

In October 1779, after receiving a copy of this draft treaty from Lee, Congress commissioned Henry Laurens of South Carolina to obtain a loan of \$10 million in the Netherlands and to negotiate a treaty

The *Andrew Doria* Incident

The first occasion on which a ship of the Continental Navy was saluted in a foreign port apparently occurred at the Dutch island of Sint Eustatius in the Caribbean. On November 16, 1776, the *Andrew Doria*, flying the flag of the 13 stripes, dropped anchor at Sint Eustatius and saluted the Dutch fort there with 11 guns. A salute of nine guns was returned. A resident of the island observed that the ship's captain, Isaiah Robertson, was "most graciously received" by Governor Johannes de Graaf and "all ranks of people. All American Vessells here now wear the Congress Coulours. Tories sneak and shrink before the honest and brave Americans here."

When the British Government learned of the incident, it demanded a formal disavowal of the salute and the immediate recall by the Dutch Government of Governor De Graaf, whom it also accused of aiding the supply of munitions and arms to the North American rebels. The Dutch Republic, formally allied to Great Britain, disavowed De Graaf's action insofar as it might have been construed to imply recognition of American independence and requested De Graaf to return to the Netherlands to explain his conduct. Delaying his departure on the grounds that he and other members of his family had recently been ill and that he feared seasickness from a long voyage, De Graaf did not reach home until July 1778 and did not present his explanation until the following February. He said that the salute of the *Andrew Doria* had, at his instructions, been returned with two fewer guns than she had fired. As the customary return salute to merchant vessels, this had not constituted recognition of American independence. De Graaf was exonerated of any misconduct and returned to his post. ■

of amity and commerce. Because Laurens' departure was considerably delayed, Congress also sent a letter in June 1780 to John Adams—one of the commissioners in Paris—empowering him, pending Laurens' arrival, to act in his stead. In August 1780 Laurens set sail from Philadelphia, but a British frigate seized his ship off the coast of Newfoundland. Before the British stormed the ship, Laurens tossed overboard the bag containing his letters of credence to the States General and the copy of the draft secret treaty. But the iron shot attached to the bag was insufficient to sink it, and the British easily fished it out of the sea.

When the copy of the draft treaty reached London, the British Government imprisoned Laurens in the Tower of London. Aware that the Dutch were prepared to join the League of Armed Neutrality, the British Government denounced the Anglo-Dutch alliance. Rather than have the Dutch Republic join the league and make its ships and goods available to France and Spain, the British preferred a war that would give them freedom to capture Dutch ships and end Dutch contraband trade with America. British attacks on Dutch shipping began immediately, and an English squadron captured Sint Eustatius and other Dutch possessions in the Caribbean.

Adam's Mission in the Netherlands

While the battle over Dutch neutrality was being waged in the summer of 1780, John Adams arrived in the Netherlands. He reached Rotterdam on August 4 with his two sons, 13-year old John Quincy and 10-year old Charles,

and, after proceeding through Delft, The Hague, and Leyden, arrived in Amsterdam on August 10. Disagreeing with French Foreign Minister Vergennes and Franklin, whom he considered too subservient to the French, Adams thought he was wasting his time in Paris. On his own initiative, even before receiving Congress' instructions, Adams had decided to go to the Netherlands to seek recognition and money for his government. His purpose was "to see if something might not be done there, to render my country somewhat less dependent of France, both for political consideration, for loans of money and supplies for our army."⁴ He resided at Amsterdam because he felt it would be easier to secure loans there and he would not be under the thumb of the Duc de la Vauguyon, French Ambassador at The Hague.

This round-faced and outspoken New England lawyer found the Dutch people hospitable and friendly. The thriving city of Amsterdam, full of foreigners, merchants, and diplomatic agents, excited him and he easily made many new friends. Soon after arriving he praised the country in a letter to his wife, Abigail:

I have been here three weeks, and have spent my time very agreeably here. I am very much pleased with Holland. It is a singular Country. It is like no other. It is all the Effect of Industry and the Work of Art. The Frugality, Industry, Cleanliness etc. here, deserve the Imitation of my Countrymen. The Fruit of these Virtues has been immense Wealth and great Prosperity. They are not Ambitious, and therefore happy. They are very sociable, however, in their peculiar Fashion.⁵

Adams immediately set out to learn Dutch, to study the country's history, and to understand its people, government, and international situation. For Adams, comprehending the complicated Dutch political system was difficult:

The sovereignty resides in the States-general; but who are the States-general? Not their High Mightinesses who assemble

U.S.-Netherlands:
A Bicentennial

(Private Collection of Andres Oliver, Jr., Daniel Oliver, and Mrs. Daniel Morley)

John Quincy Adams

John Adams' young sons, John Quincy (1767–1848) and Charles (1770–1800), were enrolled in the Amsterdam Latin School from August through November

1780. In December they were placed under the care of a tutor in Leyden and were subsequently enrolled at the University of Leyden. There John Quincy studied jurisprudence, Dutch history, French drama, Pope's poetry, and various Greek and Latin authors. Perhaps because some misconduct by John Quincy had been responsible for his leaving the Amsterdam Latin School, Abigail Adams wrote to her son in Leyden expressing the hope that "the universal neatness and cleanliness of the people where you reside will cure you of all your slovenly tricks, and that you will learn from them industry, economy, and frugality." In July 1781, shortly before he turned 14, John Quincy left the Netherlands for St. Petersburg where he was to serve for more than a year as secretary and interpreter to the Minister-Designate to Russia, Francis Dana.

John Quincy Adams later served in various diplomatic posts, as Secretary of State (1817–25), as sixth President of the United States (1825–29), and as a member of the House of Representatives (1831–48).■

at the Hague to deliberate; these are only deputies of the States-general. The States-general are the regencies of the cities and the bodies of nobles in the several Provinces. The burgomasters of Amsterdam, therefore, who are called the regency, are one integral branch of the sovereignty of the United Provinces, and the most material branch of all, because the city of Amsterdam is one quarter of the whole republic, at least in taxes.⁶

A month after his arrival, Adams received a provisional commission from Congress to negotiate a loan. His initial expectation was that support would be

easily obtained, but he soon discovered that the merchants and bankers of the United Provinces did not want to risk their funds without assurance of repayment and that they wanted commercial advantage as much as the United States wanted credit.

To the Dutch capitalists, the prospect of an American triumph looked slim in 1780 in view of British victories at Charleston in May and at Camden, South Carolina, in August. The longer Adams stayed in Holland, the more he realized how difficult it would be to persuade the Dutch to take any concrete action. By the end of 1780, although discouraged by his lack of success in obtaining a loan, he

had not given up hope. In a letter to the President of Congress, he wrote:

*Patience, firmness, and perseverance are our only remedy; these are a sure and infallible one; and, with this observation, I beg permission to take my leave of Congress for the Year 1780, which has been to me the most anxious and mortifying year of my whole life.*⁷

Because of Laurens' capture by the British, Congress on January 1, 1781, appointed Adams as Minister Plenipotentiary to the Government of the Netherlands.

Adams realized that in order to obtain loans from the United Provinces, he would have to educate its people about his country. Even in the large port cities, he found pessimism about the chances of the rebellion succeeding, suspicion that the United States would fall under the control of France and Spain, and unfamiliarity with either the government or resources of the United States. In writing to the President of Congress, he said:

*This country has been grossly deceived. It has little knowledge of the numbers, wealth, and resources of the United States, and less faith in their finally supporting their independence, upon which alone a credit depends. They have also an opinion of the power of England vastly higher than the truth. Measures must be taken, but with great caution and delicacy, to undeceive them.*⁸

Adams' Supporters in the Netherlands

Adams demonstrated his exceptional talents as an advocate for the United States. He read, talked, questioned, persuaded, and skillfully argued

with those he met and seemed instinctively to know what would appeal to Dutch readers. With the assistance of friends and collaborators, he flooded the United Provinces with sermons, articles, and letters from America. Dumas, who put Adams in touch with writers and publishers in the Patriot party, translated and edited any material Adam wanted to circulate.

Through Dumas, Adams met Johan Luzac, a Patriot, lawyer, and classical scholar of Leyden who became a close personal friend. Luzac was editor of the *Nouvelles extraordinaires de divers endroits* published in Leyden and known throughout Europe as the *Gazette de Leyde*. Extremely interested in the goals and policies of the Thirteen Colonies and wanting to publish factual accounts, not propaganda or rumors, Luzac printed the reports provided by Adams of meetings of the American Philosophical Society in Philadelphia and the American Academy of Arts and Sciences in Boston. Later he printed, in installments, the new Massachusetts constitution which Adams himself had drafted.

Another important friend was Antoine Marie Cerisier, a Frenchman, classical scholar, and authority on Dutch history and government who published the journal *Le politique hollandais* of Amsterdam. Since this publication was an organ of French propaganda, he eagerly followed many of Adams' suggestions and printed material favorable to America. Adams was especially pleased when Cerisier printed and distributed in large numbers translations of accounts by the defeated British Generals Burgoyne and Howe. While the authors attempted to excuse their military failures, they also unwittingly demonstrated the desperate state of the British cause in America.

Adams also met the prominent Amsterdam jurist, Hendrik Calkoen, who bombarded him with questions about America. Adams suggested they be put



Prince Willem V (1748-1806), served as Stadholder of the United Provinces of the Netherlands from 1751-1795. The later years of his rule saw the Netherlands weakened by its participation in European conflicts in 1780 and again in 1792-1793 and by internal factional strife. He was overthrown in 1795 and fled to England. (Private Collection of J.W. Schulte Nordholt)

20 April 1782.

Copy

High and mighty Lords

The United States of America in being so frequently importuned with a
high sense of the wisdom and magnanimity of your high mightiness and of your
invariable attachment to the rights and liberties of mankind, and being desirous
of cultivating the friendship of a nation eminent for its wisdom, justice, and
moderation, have appointed the honorable John Adams late a delegate in Congress
from the State of Massachusetts, and a member of the Council of that State to be
their minister plenipotentiary to reside near you that he may give you more
particular assurances of the great respect they entertain for your High
Mightiness. We beseech your High mightiness to give entire credit to
everything which our said minister shall deliver on our part as honestly,
when he shall assure you of the sincerity of our friendship and regard.

We pray you to keep your High mightiness in his holy protection.

Done at Philadelphia the first day of January in the year of our Lord
one thousand seven hundred and eighty one and in the fifth year of
our said Sovereign By the Congress of the United States.

Your friends;

John Adams Plenipotentiary

Attest
The Secretary

Copy of John Adams' letter of credence,
which he presented to the States General on
April 20, 1782, and to Prince Willem V two days
later. (Courtesy of the Algemeen Rijksarchief, The
Hague)

U.S.-Netherlands:
A Bicentennial

Johan Luzac, editor of the *Gazette de Leyde*, professor at Leiden University, and close friend of John Adams. (Private Collection of J.W. Schulte Nordholt)

in writing and systematically answered. The 26 short essays Adams wrote as replies were used by Calkoen to compare the 16th century revolt of the Low Countries against Spain with the American rebellion against Great Britain. He concluded that the success of the former was a miracle and that it would be a greater miracle if the latter did not succeed. Calkoen read a paper containing these conclusions to a literary society in Amsterdam and thereby spread some of Adams' ideas as well as his own.

Other close friends of Adams included Johan Derk van der Capellen, a nobleman who had been the first in the Netherlands to espouse the American cause. As early as 1775, Van der Capellen declared that the Americans deserved esteem "as brave folk who in a calm, courageous and Godfearing manner are defending the rights granted to them as human beings, not by the Legislature in England, but by God himself."⁹ He gave Adams useful advice and support,

as did the Mennonite preacher from Leyden, François Adrian van der Kemp, who demonstrated his faith in America through preaching and publication of American documents. Van der Kemp, who eventually settled in the United States, wrote enthusiastically:

In America the sun of salvation has risen which shall also shine upon us if we wish: only America can revive our Commerce, our Navigation: . . . America can teach us how to fight the degeneration of the people's character, to stay moral corruption, to put an end to bribery, to smother the seeds of tyranny and to restore the health of our moribund freedom. America has been ordained by the Being of all beings to be the Netherlands' last preacher of penitence; America has been ordained to heal the flaws in the character of the Netherlands people, if they wish to follow in its footsteps.¹⁰

A Time of Difficulty for Adams

In the early months of his mission in the Netherlands, Adams encountered a clear unwillingness to lend financial assistance to the Colonies. Consequently he was heartened by increased signs of support for his countrymen that began appearing early in 1781. Addresses supporting the Colonies were presented in the theaters, and popular songs were sung in the streets of Amsterdam. Adams also saw hope in the new wave of anti-British feeling in Haarlem, Leyden, The Hague, Delft, and Rotterdam following England's declaration of war against the Netherlands. These signs encouraged him to make himself and his mission known formally to the Dutch Government.

After receiving his credentials, along with instructions to conclude a treaty if possible with the States General, Adams consulted with his most influential and knowledgeable Dutch friends and decided not to present his credentials. At Adams' request, Dumas instead submitted a memorial to the States General on March 10 informing them of Congress' support of the League of Armed Neutrality. They



Johan Derk van der Capellen tot den Pol, (1741–84), a nobleman from Overijssel, was the first champion of the American cause in the Netherlands. (Private Collection of J.W. Schulte Nordholt)

Francis Adrian van der Kemp was a Mennonite minister at Leiden and a great defender of the American cause. He was banished from Holland in 1788 and emigrated to the United States where he settled in Barneveld, near Utica, New York, until his death in 1829. (Courtesy New-York Historical Society)

were asked to discuss the issue among themselves and with the other neutral powers. Nothing came of the memorial; the States General received it, but took no action. Officials in Amsterdam, Dordrecht, and Haarlem told Dumas they were happy to see the memorial but regretted they could not reply.

At the end of March, Adams began to compose a second memorial to the States General. In this document, written in Leyden and completed April

19, Adams outlined America's claim to recognition by the Dutch Republic and his own claim to reception as minister. He explained how the American rebellion began and reviewed the wrongs of the English who had deprived the colonists of "the rights and liberties of Englishmen" and who had left them no alternative but to rise in rebellion and to assume "an equal station among the nations." The British fleets and armies, Adams said, had failed to alter America's determination to be free. He declared that "a natural alliance" existed between the two republics. The first inhabitants of New York and New Jersey, Adams recalled, were Dutch emigrants who "transmitted their religion, language, customs, manners, and character":

The originals of the two republics are so much alike, that the history of one seems but a transcript from that of the other; so that every Dutchman instructed in the subject must pronounce the American Revolution just and necessary, or pass a censure upon the greatest actions of his immortal ancestors; actions which have been approved and applauded by mankind and justified by the decision of Heaven.

Adams argued that once the British monopoly was broken, the United States and the Netherlands could benefit from an alliance which facilitated trade between Holland—rich in ships, traders, and funds—and America—overflowing with products and raw materials. Adams concluded that it was the desire of the United States "to form equitable commercial treaties with all the maritime powers of Europe, without being governed or monopolized by any." He observed that "if such benevolent policy should be adopted, the New World will be a proportional blessing to every part of the Old."¹¹

Adams journeyed to The Hague at the beginning of May to transmit the memorial to the States General. La Vauguyon, the French Ambassador, tried



but failed to dissuade Adams from delivering it. On May 4 Adams presented the memorial to Pieter van Bleiswyk, Grand Pensionary of Holland, who replied that he could not receive it but advised Adams to see the current President of the States General, the Baron van Lynden van Hemmen. Adams went immediately to see the President to explain his mission. The President replied that he could not receive Adams' credentials or the memorial because the United States was not yet acknowledged as a sovereign state by the Netherlands. He did agree to report their conversation to his colleagues and said that he thought the matter of great importance to the Netherlands. The same day Adams called on the Baron de Larrey, secretary to Prince Willem V, and presented the memorial and his diplomatic credentials. A few hours later, the secretary told Adams that the Prince sent his compliments but wished to return the documents, since he could not receive any letters from Adams because his nation was not yet recognized.

Despite the official rejection, Adams knew he must keep the issue of recognition alive. With the help of Luzac and Dumas, he had the memorial translated into French and Dutch and distributed to every political official in the provinces—some 4,000–5,000 persons. The appeal was also published by newspapers in the Netherlands and later throughout Europe.

Adams realized his only alternative was to wait. Heavy losses to the British at sea, the paralysis of Dutch commerce, and military weakness divided the Dutch Republic in the spring and summer of 1781 and meant that the time for recognition had not yet come. At the end of August, Adams became very ill and despondent. He was discouraged by his lack of success; depressed by Dutch indecision, procrastination, and ambivalence; and lonely for his family. His wife was still in America and his sons had left Amsterdam. John Adams suffered for 2 months with what he termed a nervous fever.

The Tide Turns

Both Adams' health and America's chances of winning the war improved in October 1781. The French-American victory over Cornwallis' army at Yorktown on October 19 turned the tide of battle and simplified Adams' tasks. Although it was 6 weeks before word of the victory reached Europe, it was decisive because it was understood everywhere that England could not replace its 8,000 surrendered soldiers. American independence now seemed assured. Moreover, at the end of November, Adams received new instructions from Congress to conclude, if possible, an alliance with the Dutch Government, preferably as part of a triple alliance with France. The precondition for this alliance was Dutch recognition of American independence. Pleased by his new instructions, he reported them to La Vauguyon, who advised Adams to begin negotiations with the Netherlands.

Adams resumed the diplomatic initiative and journeyed to The Hague early in the new year. On January 9, 1782, he asked the President of the States General for a "categorical answer" to his memorial of the preceding May. The President said he would report this new request to the States General for transmission to the members for their deliberation and decision. Adams also spoke to delegations from the principal cities of the Province of Holland who were headquartered in The Hague. The Hollanders, who favored close ties with America, received him warmly.

The campaign of the American diplomat and his Dutch friends began to bear fruit in February and March of 1782. In many cities, petitions were presented to the magistrates urging them to receive Adams as minister. Adams' supporters—Van der Capellen, Luzac,

and Calkoen—gave spirit to this movement and composed numerous pamphlets. On February 26, the assembly of the northern Province of Friesland, whose shipping had suffered terrible losses at the hands of the British, voted to instruct its deputies in the States General to move formally for the reception of Adams as the American Minister. The assembly of the Province of Holland voted similarly on March 28, and during the first weeks of April one province after another followed suit.

Recognition of the United States

On April 19, 1782, a year after Adams had signed his first appeal to the States General and on the seventh anniversary of the battles of Lexington and Concord, he achieved the long-sought goal. The States General of the United Provinces resolved to admit and acknowledge Adams "in quality of envoy of the United States of North America."¹² The Netherlands had at last recognized the United States. The next day, April 20, Adams went to the States General to present his credentials.

On April 22, Prince Willem V granted the American envoy an audience to present his credentials. In describing his reception at the Prince's palace, Huys ten Bosch, on the outskirts of The Hague, Adams noted that they spoke in English:

I told him that I was happy to have the honor of presenting the respects of the United States of America, and a letter of credence from them to his Most Serene Highness, and to assure him of the profound veneration in which the House of Orange had been held in America, even from its first settlement, and that I should

be happier still to be the instrument of further cementing the new connexions between the two nations professing the same religion, animated by the same spirit of liberty, and having reciprocal interests, both political and commercial, so extensive and important. . . .

The Prince read the credentials and accepted them and asked Adams several polite questions about his stay in the Netherlands, to which Adams graciously replied.¹³

Adams had reason to be pleased with his achievement. By applying at the earliest possible moment for recognition and then pressing for an answer from the States General, he had not only drawn attention to his own mission but also had helped to rally the anti-British faction in the Netherlands with his dramatic appeal for Dutch-American friendship. As the Spanish Minister at The Hague remarked to Adams:

You Sir, have struck the greatest blow in all Europe. It is the best blow that has ever been struck in the American cause. It will be a fright and terror to the Anglo-manes. It will kindle the enthusiasm of this nation. It is you who have turned their heads in the right direction.¹⁴

Dutch recognition of the United States thrust Adams into public prominence. He spent several days receiving and paying visits to more than 150 members of the government and Court. On April 23, La Vauguyon gave a reception for the diplomatic corps in honor of the United States and introduced Adams to all the ministers of the foreign Courts. In the following weeks, Adams was showered with invitations to attend banquets, public dinners, festivals, and fireworks displays in celebration of the recognition. Dutch artists, poets, and publishers commemorated the occasion with portraits, poems, publications, songs, and coins. The persistent Adams had become a hero to the Dutch.



Huys ten Bosch, the Stadholder's residence on the outskirts of The Hague, where John Adams presented his credentials as American Minister to Prince Willem V on April 22, 1782. (Courtesy Gemeente-Archief, The Hague)

The Treaty of Amity and Commerce

On April 23, the day after his audience with the Prince, the American envoy presented the proposal for a treaty of amity and commerce to the President of the States General. That same day the assembled dignitaries appointed a committee to discuss the matter of the treaty, and Adams was introduced to its

members, to whom he presented a copy of a draft treaty drawn up on the basis of his instructions from Congress.

While the government deliberated over the treaty, Adams succeeded in obtaining the loan which his country needed so desperately. After 6 weeks of negotiation and bargaining, Adams signed an agreement on June 11 with a syndicate of three Amsterdam firms—the Willinks, the Van Staphorsts, and De la Lande & Fynje—for a loan of 5 million guilders payable in 15 years at 5% interest. Adams had hoped for a larger sum, but he was satisfied with the terms finally

Tractaat

van Vriendschap en Commerce
tusschen Haar Hoog. Mogende de
Staten Generaal der Vereenigde, &c.
Verlandten en de Vereenigde Staten
van America, te witten, New-Hamp-
shire, Massachusetts Rhode-Island,
en Providence Plantations, Connecti-
cutt, New-York, New-Jersey,
Pennsylvania Delaware, Mary-
land, Virginia Noord Carolina
Zuyd-Carolina en Georgia

Haar Hoog. Mogende de Staten Generaal
der Vereenigde Nederlanden en de Vereenig-
de Staten van America te witten, New-
Hampshire, Massachusetts Rhode-Island
en Providence Plantations Connecticut,
New-York, New-Jersey, Pennsylvania, De-
laware, Maryland, Virginia, Noord-
Carolina, Zuyd-Carolina en Georgia, ge-
meegen zynde op een bestendige en billijge
wijze te bepalen de regien die in acht ge-
nomen moeten worden ten opzichte van
de Correspondentie en Commerce welke zij
verlangden vast te stellen tusschen haare
respective landen, Staaten, Onderdanen en
Ingerichtenen, hebben geoordeelt, dat het ge-
zegde enae niet beter kan vernen be-
rekte aan door te stellen tot een Crisis van
haare Verding, de volmaakte egaliteit en

. Treaty

of Amity and Commerce
between their High Mighti-
nesses the States General of
the United Netherlands and
the United States of America,
to wit, New-Hampshire Massa-
chusetts, Rhode-Island and
Providence Plantations, Connecti-
cutt, New-York, New-Jersey, Pa-
sylvania Delaware, Maryland,
Virginia, North Carolina,
South Carolina and Georgia

Their High Mightinesses the States Gene-
ral of the United Netherlands and the
United States of America to wit, New-
Hampshire Massachusetts Rhode-Island
and Providence Plantations Connecticut,
New-York, New-Jersey, Pennsylvania, De-
laware, Maryland, Virginia, North-
Carolina, South Carolina and Georgia,
desiring to ascertain in a permanent
and equitable manner the basis to be
observed relative to the Commerce and
Correspondence which they intend to
establish between their respective
States, Countries, and Inhabitants,
have judged that the said end can-
not be better obtained than by esta-
blishing the most perfect Equality
and Reciprocity for the Goods of their



U.S.-Netherlands:
A Bicentennial

dag van de ondertekening

Ten overzichte zijnde hebben Wy, Gedeputeerde en Plenipotentiarissen van de Heeren Staten Generaal der Vereenigde Nederlanden en Minister Plenipotentiaaris der Vereenigde Staten van America in kracht van onze respectieve Authoriteiten en plienpotentiaarische deze ondertekent, en met onze gewone in Caschetten verzegelt. In den Maegte den Negenden October. Een duysent Sieven hondert twee en tachtig

the signature.

In faith of which, We the Deputies and Plenipotentiaries of the Lords the States General of the United Netherlands, and the Minister Plenipotentiary of the United States of America in virtue of our respective Authorities and full Powers, have signed the present Treaty and apposed thereto the Seals of our Arms.

Done at the Hague the Eighth of October, One thousand seven hundred Eighty two

Georg van Breda
G. van Breda
G. van Breda
W. van Lijden
A. van Breda
G. van Breda
G. van Breda

John Adams

First and last pages of U.S.-Netherlands Treaty of Amity and Commerce, signed at The Hague, October 8, 1782. (National Archives Photos)

negotiated. The Dutch loan agreement served as an important precedent and laid a permanent foundation for American credit abroad. This was the first of several such loans negotiated by the new American Government with the Netherlands during the next 10 years. They enabled the relatively weak government under the Articles of Confederation to survive the peace and to function until the establishment of a stronger government under the Constitution of 1787.

Once the first loan was secured, Adams focused on negotiations for the treaty of amity and commerce. He regretted the lengthy deliberations by the committee, the States General, the provinces, the cities, and the Admiralty. On June 15 Adams conferred with Van Bleiswyk and overcame some of his minor objections to the treaty. By the end of August, the States General had received reports on the treaty from the provinces, and Adams was invited to meet with the committee to discuss them. Adams' consultations with the committee were successful, and it completed its work early in September. On September 17 Adams went over the text of the treaty word by word with the Secretary of the States General. In a letter that day to Francis Dana, American Minister-designate to Russia, Adams wrote with an eye toward France as much as toward the Netherlands and Great Britain:

I shall sign the treaty of commerce next week. . . . The standard of the United States waves and flies at The Hague in triumph over Sir Joseph Yorke's insolence and British pride. When I go to heaven I shall look down over the battlements with pleasure upon the Stripes and Stars wantonning in the wind at The Hague. There is another triumph in the case, sweeter than that over our enemies. You know my meaning; it is the triumph of stubborn independence. Independence of friends and foes.¹⁵



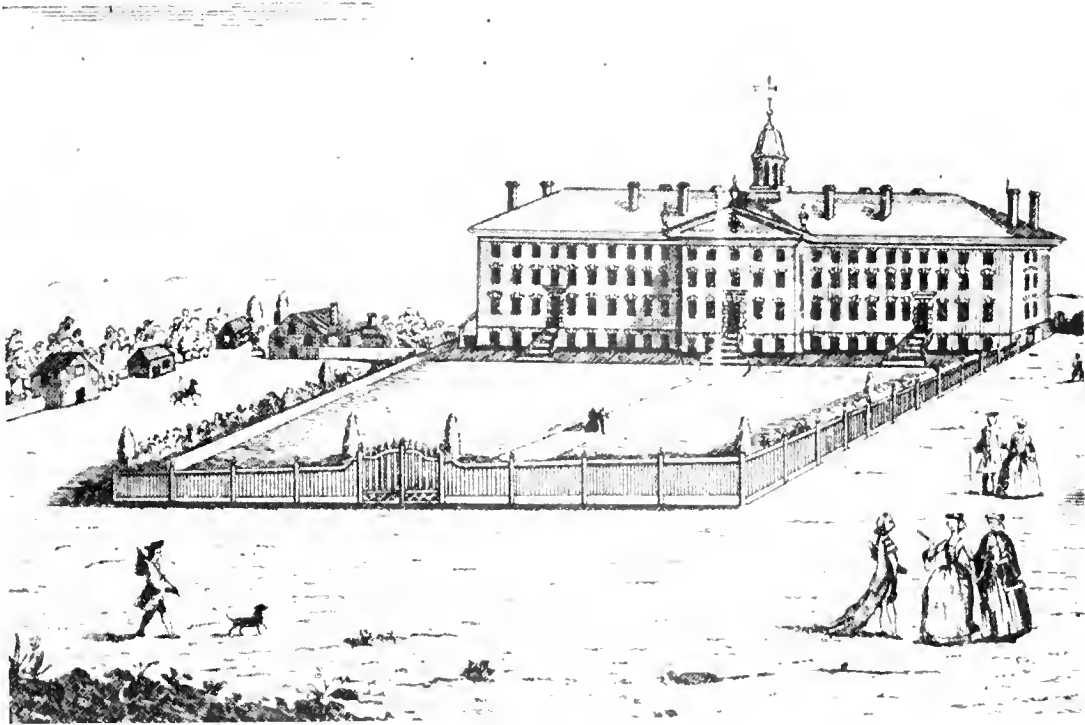
Elias Boudinot (1740–1821), a Philadelphia lawyer, who served as a member of the Continental Congress, 1777–1784, and as its President, 1782–1783. He later was a Congressman from New Jersey and the director of the U.S. Mint. In this portrait by Charles Willson Peale, Boudinot is shown holding the "Proclamation of Peace with Great Britain 1783." In the lower right corner are three documents entitled "Confederation," "Treaty with the United Netherlands," and "Treaty with Sweden." According to one art historian, both the painter and the subject considered these four documents "the crowning accomplishments of a distinguished public career." (Courtesy Princeton University Art Museum)

On October 8 Adams went to the State House at The Hague for the formal signing ceremony. He was received by the deputies of Holland and Zeeland and conducted into the Truce Chamber where he and George van Randwyck, Van Bleiswyk, and six other Dutch officials signed the treaty of amity and commerce.¹⁶ A convention concerning recaptured vessels was also signed.

In a report to Secretary for Foreign Affairs Robert Livingston,



U.S.-Netherlands:
A Bicentennial



Nassau Hall, Princeton, New Jersey, detail from a watercolor based on an 1800 engraving. The site of the presentation by Pieter Johan van Berckel of his credentials as the Netherlands first Minister to the United States on October 31, 1783. Congress had left Philadelphia on June 24, 1783, after the local authorities proved unwilling or unable to deal with army mutineers demonstrating in the city. Congress met in Princeton until November 3, 1783, when it adjourned and moved to Annapolis, Maryland. (Courtesy Princeton University Art Museum)

Robert R. Livingston (1746-1813), first Secretary for Foreign Affairs, was appointed by the Continental Congress October 20, 1781, and served until June 4, 1783. (Department of State Photo)

Adams explained the points of disagreement that had been settled and indicated that the treaty followed Congress' instructions as closely as possible. Adams had compromised on two provisions essential to the Dutch. The first pledged Americans to respect the Dutch colonies and their rights; the second insisted there be conformity to the laws of each country respecting public worship. "Upon the whole," wrote Adams, "I think the treaty is conformable to the principles of perfect reciprocity, and contains nothing that can possibly be hurtful to America, or offensive to our allies, or to any nation, except Great Britain, to whom it is, indeed, without a speedy peace a mortal blow."¹⁷

The treaty was ratified by the Netherlands on December 27, 1782, and by the Continental Congress on January 23, 1783. To Adams it represented the culmination of his efforts to win Dutch support and demonstrated that the United States, no longer dependent solely on France for support, had widened its freedom of maneuver.

Establishment of the American Legation

At the instruction of Congress, Adams left the Netherlands for Paris on October 17, 1782, to join the negotiations for a preliminary treaty of peace with Great Britain. After a brief trip to Holland in the summer of 1783, Adams returned to Paris where, on September 3, 1783, he and his colleagues signed the definitive treaty which ended America's Revolutionary War. He left the affairs of the United States in the hands of Dumas. Although he held no commission because he was not an American citizen, Dumas continued to serve as chargé d'affaires in

the Netherlands until 1790. At Adams' request, Dumas installed himself in the Hôtel des Etats-Unis at The Hague, the first legation building actually owned abroad by the United States. Adams had purchased this house in February 1782 because he believed it important for America to have its envoy ensooned in a proper residence at The Hague. As Adams had written at that time:

... it appears to me of indispensable importance that a minister should reside constantly here, vested with the same powers from Congress with which they have honored me; for which reason, having the offer of a large and elegant house in a fine situation on a noble spot of ground at The Hague at a very reasonable rate, I have . . . purchased it. . . .¹⁸

The First Netherlands Minister to the United States

In the spring of 1783, the Dutch Government appointed Pieter Johan van Berckel, Mayor of Rotterdam and brother to the Pensionary of Amsterdam, as the first Netherlands Minister to the United States. Dumas reported that Van Berckel had been nominated by the Province of Holland and accepted by the States General. The new minister, he wrote, was "amiable, estimable, and patriotic." At Van Berckel's request, Dumas asked Secretary for Foreign Affairs Livingston to arrange for the rental of a "fine, large, and spacious house" in Philadelphia for the minister and his five children. He also requested that a new coach be made and that "six fine carriage horses" be bought

U.S.-Netherlands:
A Bicentennial

Pieter Johan van Berckel (died 1800), Mayor of Rotterdam, was appointed the Netherlands' first Minister to the United States in May 1783. He presented his credentials to Congress on October 31, 1783, and served as minister until his recall by the States General in 1788. (Private Collection of J.W. Schulte Nordholt)

for Van Berckel. Livingston replied that he rejoiced at Van Berckel's appointment and that "the patriotic character of his family" would insure him an agreeable reception.¹⁹

In their instructions to Van Berckel, the States General stressed the importance of the promotion and protection of Dutch commerce. They asked him to identify the principal interests of both countries and to safeguard the interests of Dutch merchants. He was also asked to inform his government about the constitutions of the Thirteen States, their

relationship to each other and to the central government, and the land- and sea-power of the new nation as well as its external commitments.²⁰

Van Berckel sailed from the Netherlands on June 23, 1783, in a ship of the line accompanied by three other vessels. After a stormy crossing, the new Dutch Minister arrived in Philadelphia. On October 30 Van Berckel journeyed to Princeton, New Jersey, where Congress—having left Philadelphia in June following public disturbances there—was convening. He had received an invitation from Elias Boudinot, the President of Congress, to present his credentials on October 31. Boudinot, who had also offered the hospitality of his Philadelphia home to the Dutch Minister upon his arrival, informed him that Congress was "greatly mortified, that our present circumstances, in a small country village, prevent us giving you a reception more agreeable to our wishes. . . ." ²¹ In describing the journey to Princeton and his reception, Van Berckel wrote:

In the evening when I was still a distance of six English miles away, I was met by an escort which had orders to accompany me. It consisted of an officer and eight light riders belonging to the bodyguard of General Washington. Upon my arrival in Princeton I was welcomed beside my coach by General Lincoln in his capacity as Secretary of the War Department, as well as by some other gentlemen on behalf of Congress, and led to the apartment which the Congress had provided for me and a few of my attendants in the home of the Pastor of Princeton. Thereupon I went immediately to pay a visit to the President of the Congress; and after having settled some matters with him relating to my audience the following day, I was informed toward noon on the second day by

the Superintendent of Finances and by the Secretary of War, who had been jointly designated, in the absence of a Secretary of Foreign Affairs, to introduce me, that the Congress was assembled and prepared to receive me; whereupon I rode in my own coach to the House of the Assembly, and there, at the foot of the stairs, I was received by the above-mentioned introducers and led into the Assembly. After giving an address appropriate to the matter, a copy of which is herewith enclosed, I presented the Letter of your High Mightinesses, which was read by a Dutch interpreter; the President then read a reply in English . . . to the address I had given; with this the solemn ceremony was concluded and I was led out again and brought to my coach.²²

The ceremony took place in Nassau Hall in Princeton where Congress held its meetings. This stately building was named after Prince Willem V's forefather, Willem III, Prince of Orange and Nassau, Stadholder of the Netherlands, who became King of England in 1688. In his address to Congress given in French, Van Berckel expressed his joy and satisfaction at the opportunity to meet with such illustrious men "whom the present age admires." He declared:

While all Europe kept its eyes fixed on your exploits, their High Mightinesses could not refrain from very seriously interesting themselves therein, recollecting as they always did the dangers and difficulties to which their forefathers were subjected, before they could free themselves from the yoke in which they were enthralled. They knew better than any other the worth of independence, and they knew how to set a just value on the greatness of your designs. They applauded your generous enterprise, which was inspired by a love of your country, conducted with prudence and supported with heroic courage; and they rejoiced at the happy success which crowned your labours.²³

Van Berckel's credentials concluded with the following statement:

We shall at all times rejoice in your increasing felicity; and we desire nothing more ardently than that we may maintain the strictest friendship and correspondence with you, for the good of the subjects and inhabitants of both countries.²⁴

Boudinot then addressed the gathering. He welcomed the new minister, received his credentials, and accepted with pleasure "the honorable testimonials of confidence and esteem of their High Mightinesses, and their affectionate congratulations on the success of our efforts in the sacred cause of liberty." Boudinot said:

Governed by the same ardent love of freedom, and the same maxims of policy; cemented by a liberal system of commerce, and earnestly disposed to advance our mutual prosperity, by a reciprocity of good offices; we persuade ourselves that the most friendly and beneficial connexion between the two republics, will be preserved inviolate to the latest ages.²⁵

After the ceremony, Boudinot gave a banquet for the new Dutch Minister. That same day, General George Washington visited Van Berckel and introduced him to a number of generals and prominent officers. The next day, the Dutch envoy received all the members of Congress and dined again with Boudinot. On November 2, Washington arranged an elegant dinner for the minister and many members of Congress and officers. In his report to the States General, Van Berckel wrote that "the character of your High Mightinesses has been treated with all distinction by the Congress and its members, as well as by George Washington."²⁶

U.S.-Netherlands:
A Bicentennial

A Continuing Bond

In 1782 the United States and the Netherlands shared certain traits. Both were small and vulnerable, dependent on the sea, and devoted to free trade. Both were republics, committed to decentralized government and the rule of law, domestic and international. This common perspective facilitated Adams' efforts to persuade the Dutch to risk supporting the American Revolution. While the United States obtained from the Netherlands needed funds, a boost in morale, and enhanced prestige, Dutch expectations for an expansion of trade with the United States were not fulfilled. In fact, the United States soon became a commercial rival, not a customer. And during the 1780s and 1790s the example of the American Revolution was repeatedly invoked in various forms by different factions in the political debates that occurred in the Dutch Republic.

Through the years relations between the two countries have matured and the bonds between them have been strengthened. Grateful generations of Americans have viewed the Dutch as kindred spirits with the same fierce love of independence as their own Founding Fathers. As John Adams remarked to his wife in 1782:

I love the People where I am. They have Faults but they have deep Wisdom and great Virtues—and they love America and will be her everlasting Friend, I think.²⁷

Endnotes

1 In addition to various biographies of John Adams and monographs on the diplomacy of the American Revolution, several specialized works treat the subject of the establishment of Dutch-American relations: Friedrich Edler, *The Dutch Republic and the*

American Revolution (Baltimore: The Johns Hopkins Press, 1911); Lyman H. Butterfield, "John Adams and the Beginnings of Netherlands-American Friendship, 1780-1788," in *Butterfield in Holland: A Record of L.H. Butterfield's Pursuit of the Adamses Abroad in 1959* (Cambridge, Mass: privately printed, 1961) which was of particular use in preparing this paper; J.W. Schulte Nordholt, "The Impact of the American Revolution on the Dutch Republic," in *The Impact of the American Revolution Abroad* (Washington: Library of Congress, 1976); James H. Hutson, *John Adams and the Diplomacy of the American Revolution* (Lexington: The University Press of Kentucky, 1980); and J.W. Schulte Nordholt, *The Dutch Republic and American Independence* (to be published by the University of North Carolina Press in 1982).

2 Letter from John Adams to Abigail Adams, circa August 15, 1782; Lyman H. Butterfield, et al., eds., *Adams Family Correspondence* (Cambridge: Harvard University Press, 1964), vol. IV, p. 361.

3 Edler, *The Dutch Republic and the American Revolution*, p. 232.

4 Adams to the *Boston Patriot*, June 23, 1809; *Correspondence of the Late President Adams* (Boston, 1809), pp. 102-103.

5 Letter to Abigail Adams, September 4, 1780; Butterfield, *Adams Family Correspondence*, vol. II, pp. 286-287.

6 Adams to the President of Congress, November 16, 1780; Charles Francis Adams, ed., *The Works of John Adams, Second President of the United States* (Boston: Little, Brown and Company, 1852), vol. VII, p. 329.

7 Adams to the President of Congress, December 31, 1780; *ibid.*, pp. 348-349.

8 Adams to the President of Congress, October 14, 1780; Francis Wharton, ed., *The Revolutionary Diplomatic Correspondence of the United States* (Washington: Government Printing Office, 1889), vol. IV, pp. 97-98.

9 Quoted in J.W. Schulte Nordholt, "John Adams and the Dutch Republic," in *The Dutch Republic in the Days of John Adams* (The Hague: Netherlands Ministry of Foreign Affairs, 1976), p. 11.

10 Quoted in J.W. Schulte Nordholt, "The Impact of the American Revolution on the Dutch Republic," in *The Impact of the American Revolution Abroad*, p. 46.

11 Memorial to the States General, April 19, 1781; Wharton, *Revolutionary Diplomatic Correspondence*, vol. IV, pp. 370-376.

12 Adams to Secretary for Foreign Affairs Robert R. Livingston, April 19, 1782; *ibid.*, vol. V, p. 319.

- 13 Adams to Livingston, April 22, 1782; *ibid.*, pp. 319-320.
- 14 Quoted by Adams in a letter to Edmund Jenings, April 28, 1782; Massachusetts Historical Society, The Adams Papers, Microfilm Reel 356.
- 15 Wharton, *Revolutionary Diplomatic Correspondence*, vol. V, pp. 732-733.
- 16 For the text of the treaty, see Charles I. Bevans, ed., *Treaties and Other International Agreements of the United States of America, 1776-1949* (Washington: Government Printing Office, 1972), vol. 10, pp. 6-18.
- 17 Adams to the President of Congress, October 8, 1782; Wharton, *Revolutionary Diplomatic Correspondence*, vol. V, pp. 803-805.
- 18 Adams to Livingston, February 27, 1782; *ibid.*, pp. 206-207.
- 19 Dumas to Livingston, March 4, 5, and 20, 1783; National Archives, Papers of the Continental Congress (Record Group 360), Microfilm Reel 121; Livingston to Dumas, undated but circa April 1783; Wharton, *Revolutionary Diplomatic Correspondence*, vol. VI, pp. 384-385.
- 20 Secret Resolution of the States General with instructions for Van Berckel, May 27, 1783; The Hague, Algemeen Rijksarchief, Archief Staten-Generaal, invent. nr. 4773.
- 21 Boudinot to Van Berckel, October 25, 1783; U.S. Department of State, *The Diplomatic Correspondence of the United States of America from the Signing of the Definitive Treaty of Peace, 10th September, 1783, to the Adoption of the Constitution, March 4, 1789* (Washington: Francis Preston Blair, 1833), vol. VI, pp. 423-424.
- 22 Van Berckel to the States General, November 4, 1783; The Hague, Algemeen Rijksarchief, Archief Staten-Generaal, invent. nr. 7461.
- 23 Worthington Chauncey Ford, et al., eds., *Journals of the Continental Congress, 1774-1789* (Washington: Government Printing Office, 1922), vol. XXV, pp. 780-783.
- 24 *Ibid.*, pp. 783-785.
- 25 *Ibid.*, pp. 785-786.
- 26 Van Berckel to the States General, November 4, 1783; The Hague, Algemeen Rijksarchief, Archief Staten-Generaal, invent. nr. 7461.
- 27 Letter circa August 15, 1782; Butterfield, *Adams Family Correspondence* vol. IV, p. 361.

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U.S.-Netherlands:
A Bicentennial

Queen Beatrix Visits the United States

Her Majesty Queen Beatrix and His Royal Highness Prince Claus of the Kingdom of the Netherlands made a state visit to the United States April 18-24, 1982, to commemorate the 200th anniversary of the establishment of diplomatic relations. While in Washington, D.C., April 18-22, Her Majesty met with President Reagan and other government officials.

Following are remarks made at the arrival ceremony on April 19 and the exchange of toasts made at the state dinner that evening.¹

ARRIVAL CEREMONY, APR. 19, 1982²

President Reagan

Nancy and I take great pleasure in welcoming Her Majesty Queen Beatrix and His Royal Highness Prince Claus of the Kingdom of the Netherlands.

This visit couldn't take place at a more appropriate moment. Today marks the 200th anniversary of the establishment of diplomatic relations between our countries. We're delighted that you honor us with your visit, Your Majesty, a visit that coincides with this historic occasion.

The bonds between our two peoples represent the longest unbroken, peaceful relationship that we have had with any other nation. When we were seeking our independence 200 years ago, your country was one of the first to which our forefathers turned. At that time, the Netherlands was a bastion of freedom and tolerance on the European Continent, having fought its own long and costly war for independence. John Adams, who later was to become our second President, was dispatched to your country and reported the origins of the two republics are so much alike that the history of one seems but a transcript from that of the other. This parallel course did not end with the birth of our republic. Throughout the years, the Dutch and the Americans were the world's quintessential free traders—men

and women of enterprise and commerce traversing the world in pursuit of peaceful trade.

Today we recognize not only the 200th anniversary of our relations but also the lasting imprint your country has made on America. Your Majesty, who can forget that New York was first New Amsterdam? Later Dutch families helped settle the frontier, and investors from the Netherlands played an indispensable role in producing the American economic miracle. Even today, our citizens build upon this heritage, remaining a major source of foreign investment capital for each other, interacting peacefully and constructively in mutually beneficial commerce.

Few nations have had the good will that is the hallmark of the relations between the United States and the Netherlands. Our shared values extend beyond the commercial vigor that built our standard of living that developed in both our countries. A respect for the rights of the individual, a recognition of human dignity more valuable than wealth generated by commerce, industry, and a desire for peace more powerful than a tyrant's threat. In only a few places on this planet do people enjoy the treasures of liberty and tranquility. Those who do must be ever mindful of the costs of such well being. If totalitarian nations are permitted to achieve military superiority, liberty and peace will depend only on the good will of tyrants.

The American people and the people of the Netherlands traditionally have been advocates of peace. Today our challenge lies not only in a desire for peace or in its advocacy but in accepting the responsibility to do that which is necessary to maintain peace. It is an arduous task, often a thankless one.

In 1942 Queen Wilhelmina came to Washington and spoke to a joint meeting of our Congress. She said: "Democracy is our most precious heritage. We cannot breathe in the sullen atmosphere of despotic rule."

Your Majesty, as we stood and



(White House photo by Karl Schumacher)

President Reagan escorts Her Majesty and His Royal Highness during the welcoming ceremony on the South Lawn of the White House

heard the cannons welcome you a moment ago, I couldn't help but think back to the early years of our fledgling republic. In 1776, shortly after we'd declared our independence, a tiny American fighting ship sailed into the Dutch port of Sint Eustatius in the Windward Islands of the Caribbean, our new nation's flag flying proudly on the mast. No powerful government had yet recognized us. But the cannons of the Dutch fort bellowed out the first foreign salute to the American flag flown by a naval vessel. Today we return the honor.

We've been side by side for 200 years. Such friendship is appreciated here. Your Majesty, welcome to the United States. [Applause]

Her Majesty Queen Beatrix

Mr. President and Mrs. Reagan, my husband and I thank you for your warm welcome. Your words of cordiality are addressed to us and through us to my fellow countrymen. In a certain sense,

we can regard our visit as a milestone on a journey that started some 200 years ago, the end of which is not yet in sight.

Many Dutch people have also taken part in this journey to the new world. Hundreds of thousands have come to this great country to settle and build a new future. Others have come to seal the bonds of friendship. My grandmother did so in 1942 when our countries were joining hands to preserve freedom for the world and human dignity for mankind. In 1952 my mother came here to pay tribute to what the United States had done for us during the Second World War and in the subsequent period of reconstruction. Now, as we jointly celebrate 200 years of uninterrupted diplomatic relations, we pause to reflect on the support our peoples have given each other since the very beginning of this great and proud nation, both in times of danger and in times of joy. We have looked forward to this official visit, which we realize will be altogether too short to cover such a vast area as the United States of America. We welcome the opportunity to become better acquainted with the American people later this year when my husband and I will be touring, in an official visit, to mark the bicentennial and celebrate, again, our very good relations.

You, Mr. President, have officially proclaimed the 19th of April as Dutch-American Friendship Day. It marks the beginning of our state visit today—a promising beginning—and an appropriate moment to dwell on the value of our lasting friendship, of the very good ties between the United States and the Netherlands in the past, in the present, and in the future. Thank you. [Applause]

**DINNER TOASTS,
APR. 19, 1982³**

President Reagan

This evening we welcome you to the White House realizing that this is a special occasion even for this house,

steeped in tradition as it is. The history of our two countries will undoubtedly record that on this date, the 200th anniversary of our diplomatic relations, the Queen of the Netherlands was our guest at a state dinner in the White House. We thank the Dutch people for sharing you with us. You're the third successive queen of the Netherlands to grace our nation's capital.

We look forward to many such visits from you, from your heirs, because if any friendship is lasting and true, it is the one between our two peoples. The Dutch played a significant role in developing America, shaping our national character. When thinking of this, images come to mind of Henry Hudson in 1609 sailing up the river that now bears his name, of pilgrims embarking at Delfshaven bound for America after living 12 years in Holland, of the Dutch West India Company buying Manhattan Island and laying the foundation for a magnificent city of commerce and of sturdy Dutch pioneers breaking ground for new farms in our Midwest. I thought that I would surprise Her Majesty by telling her that each year there's a tulip festival in Holland, Michigan. She's

already booked to go there. [Laughter]

Her Majesty, three American Presidents were of Dutch ancestry and I'll bet that doesn't surprise you, either—Martin Van Buren, Theodore Roosevelt, and Franklin Roosevelt. Their contributions are well known.

But countless lesser known men and women of Dutch ancestry composed the buildingstones of America. If we were successful in creating a free and prosperous society of which we're rightfully proud, we must be thankful for the part played by our kindred spirits from the Netherlands—people who believed in hard work and who valued freedom. That's the spirit that built America, a spirit that citizens of Dutch ancestry helped instill in the American character.

Rembrandt, one of your great artists, showed the world new uses of light to add depth and meaning to painting. Similarly, the Dutch, with uncompromising devotion to liberty, have been a light, an inspiration, to Americans even in the depth of their darkest hours.

In the early 1780s your nation fought a war which was at least partially caused by the affinity between the Netherlands and the American colonists

U.S. Ambassador to the Netherlands



(State Department photo)

William J. Dyess was born August 1, 1929, in Troy, Alabama. He received a B.A. (1950)

and an M.A. (1951) from the University of Alabama and served in the U.S. Army 1953-56.

Ambassador Dyess entered the Foreign Service in 1958. His assignments in the Department of State included exchange program officer; intelligence research specialist; Serbo-Croatian (1960-61) and Russian (1965) language training; international relations officer (1970-75); and Executive Director (1975-77), Deputy Assistant Secretary (1977-80), and Assistant Secretary for Public Affairs (1980).

His overseas assignments have been political officer in Belgrade (1961-63) and in Copenhagen (1963-65); administrative officer and political officer in Moscow (1966-68); and political officer at the U.S. Mission in Berlin (1968-70). He was sworn in as Ambassador to the Kingdom of the Netherlands on August 21, 1981. Ambassador Dyess received the Department's Meritorious Honor Award in 1973. ■



U.S.-Netherlands: A Bicentennial

then fighting for independence. Our friendship, cemented in time and blood, is not taken lightly here. On this 200th anniversary of our fraternity, let us again pledge that we will meet the future together—two nations dedicated to peace, faithful to the cause of human liberty, and confident that right will prevail.

And now may I ask all of you to join me in a toast to our good friends, the people of the Netherlands, to Her Majesty the Queen, and to His Royal Highness. [Applause]

Her Majesty Queen Beatrix

Mr. President, my husband and I would like to thank you most sincerely for your warm words of welcome. We greatly appreciated the cordial reception given to us by your country which has highlighted the special nature of the ties of friendship uniting our two nations. There are few countries whose relations down the centuries have been so genuinely cordial and mutually beneficial as those between your great country and my own.

It is surprising how many similarities one encounters in the stories of the birth of our two nations. The theory that a people could liberate themselves from their sovereign if he abused his powers was clearly formulated when the Dutch rose in revolt against their king—the King of Spain—in the 16th century. This was the conviction which was echoed in your historic Declaration of Independence two centuries later.

In 1780 we allied ourselves with you in your fight for freedom alongside France and Spain. We were the second country to officially recognize the United States of America, not entirely without self-interest, I'm afraid; Dutch bankers provided you with the financial aid so desperately needed [laughter] in the period of rehabilitation following the War of Independence.

During the 19th century, millions of people from a great many countries, including the Netherlands, felt oppressed in the Old World and set their hopes on the New. It was their hard work and resourcefulness, coupled with the efforts

of the descendants of the early colonists, that soon made the United States one of the strongest powers of the world.

Your intervention in the First World War brought peace to Europe. When that terrible struggle was over, it was your President Woodrow Wilson who inspired countless Dutchmen with his ideals.

Even more vital was your intervention in the Second World War for both Europe and Asia. Although I was only a child growing up in Canada, I have vivid memories of the warm affection felt by my mother, Princess Juliana, and my grandmother, Queen Wilhelmina, for President Franklin D. Roosevelt. One of the last letters that President Roosevelt wrote early in 1945—2 days before his death—was to my grandmother assuring her that measures to help the Netherlands then suffering from famine and oppression were very much in his mind. "You can be very certain," he wrote, "that I shall never forget the country of my origin."

The memory of that great statesman with his sense of social justice is cherished and honored by enumerable Dutch

people. Nor do they forget what they owe to his courageous successor, President Truman, and to President Eisenhower.

It was Eisenhower who, after leading the Allied forces to victory, became the first Supreme Commander of that great alliance founded a generation ago—the North Atlantic Treaty Organization. This alliance, relying principally on the strength of your country, has insured the security of Europe and thus of the Netherlands.

It was also your country that helped us restore our shattered economy. I have in mind, of course, the Marshall plan, that brilliant example of American statesmanship—statesmanship above all because the plan did not seek to impose a pattern of its own but respected the values cherished in Europe and because it was based on the understanding that helping others to help themselves is in the long run the most effective form of aid, thereby serving best the purposes of both donor and recipient.

We in the Netherlands undoubtedly owe a great deal to the United States. The spirit of enterprise and daring, of

Ambassador to the United States



(The Embassy of the Netherlands)

Dr. Jan Hendrik Lubbers was born February 18, 1919, in Wijhe, the Netherlands. He was

educated in Zwolle and received his "doctoraal" in economics from the Economic University of Rotterdam (now Erasmus University). He was granted a doctor's degree in economic science in 1962.

During World War II, Dr. Lubbers was a member of the resistance forces in the Netherlands. He worked for the Netherlands Economic Institute in Rotterdam until 1949 when he entered the Netherlands Foreign Service.

He has held diplomatic assignments at the OECD and NATO in Paris and at the United Nations in New York. Ambassador Lubbers was Minister Plenipotentiary at the European Communities in Brussels and in 1973 was appointed Netherlands' Ambassador to Norway. He returned to the European Communities as Permanent Representative in 1976 and held that position until August 1980, when he presented his credentials as the Netherlands' Ambassador to the United States. ■



(State Department photo)

Her Majesty and His Royal Highness attend a luncheon at the State Department hosted by Acting Secretary Lawrence S. Eagleburger and Mrs. Haig.

constant innovation, is a feature of American life that has always been an inspiration to others.

The winds of change, for example, that swept across Europe in the late 1960s also originated in your country. Dutch society has been profoundly affected by artistic influences from America. Constantly improving means of communication have contributed to the advancement of science, trade, and culture on both sides of the Atlantic. All this has brought us closer together than ever before.

In sketching the associations between the United States and the

Netherlands over more than 200 years, I intended not only to look back but also to look forward.

It is the events of the past that have brought us to this point. We face an uncertain future together. Let us set our sights on the ideal of a just and humane society for all mankind. We cannot achieve this without standing up for freedom and respect for human rights. These ideals should constitute the theme underlying our mutual cooperation. I need hardly add, however, that it is only natural, in view of our long and eventful histories, that our two nations should play the theme in different variations. While recognizing that the stress should

be on unity, especially in times of adversity, I regard pluriformity, also within our North Atlantic partnership, as natural and meaningful. The partnership would not benefit from uncritical, mutual admiration. Assuming that the dialogue between the countries is inspired by honest motives and based on mutual trust, we must continue to listen to one another.

The Netherlands will endeavor to make a contribution by being open-minded and undogmatic. Tolerance has always been a feature of our national character. May I, therefore, express the hope that tolerance, openness, and patience will continue to mark our international partnership.

Whatever our differences, there is infinitely more that binds our peoples together. We have become partners of our own free will. Above all, let us not underestimate the strength that can emanate from a union that succeeds in safeguarding both external and internal freedom.

In view of this, I'm confident that relations between your country and my own will be even closer in the future than they have been in the last 200 years.

May I ask you all to raise your glasses and drink to the health and happiness of the President of the United States of America and Mrs. Reagan, to the good fortune and prosperity of the American people, and to our good relations and centuries-long friendship. [Applause]

¹Texts from White House press releases.
²Made on the South Lawn of the White House.

³Made in the State Dining Room. ■

News Conference of March 31 (Excerpts)

Twice in my lifetime I've seen the world plunged blindly into global wars that inflicted untold sufferings upon millions of innocent people. I share the determination of today's young people that such a tragedy, which would be rendered even more terrible by the monstrous inhumane weapons in the world's nuclear arsenals, must never happen again.

My goal is to reduce nuclear weapons dramatically assuring lasting peace and security. Last November, I stressed our commitment to negotiate in good faith for the reduction of both nuclear and conventional weapons. I made a specific proposal to eliminate entirely intermediate-range missiles. We remain committed to those goals.

In Geneva we've proposed a treaty with the Soviet Union which embodies our proposals. In Vienna, along with our allies, we're negotiating reductions of conventional forces in Europe. And here in Washington, we're completing preparations for talks with the Soviets on strategic weapons reductions.

We know all too well from past experience that negotiations with the Soviet Union must be carefully prepared. We can't afford to repeat past mistakes—to arrive hastily at an arms control process that sends hopes soaring only to end in dashed expectations.

Last week a distinguished group of senators and congressmen submitted resolutions to the Senate and House calling for major verifiable reductions of U.S. and Soviet nuclear weapons to equal force levels. This is an important move in the right direction, and these points are essential elements of a truly effective arms control agreement—elements which are consistent with the views of this Administration.

I commend Senators Jackson and Warner and Congressman Carney and all those who joined with them in this important initiative. I have and I will continue to seek realistic arms control agreements on nuclear and conventional forces. I want an agreement on strategic nuclear weapons that reduces the risk of war, lowers the level of armaments, and enhances global security. We can accept no less.

America's national security policy is based on enduring principles. Our leaders and our allies have long understood that the objective of our defense efforts has always been to deter conflict and reduce the risk of war—conventional or nuclear.

Together with our partners and the Atlantic alliance, every president in the postwar period has followed this strategy, and it's worked. It has earned the overwhelming bipartisan support of the Congress and the country at large, and it has kept world peace.

Yesterday, with the successful completion of the Columbia space shuttle's latest mission, I think we were all reminded of the great things the human race can achieve when it harnesses its best minds and efforts to a positive goal. Both the United States and the Soviet Union have written proud chapters in the peaceful exploration of outer space.

So I invite the Soviet Union to join with us now to substantially reduce nuclear weapons and make an important breakthrough for lasting peace on Earth. There have been four wars in my lifetime. I believe the people want to return to a level of civilized behavior we once knew. Most of all, they want peace, and so do I.

Q. The experts say that the Russians are far ahead of us in some nuclear weaponry, and we are far ahead of them in terms of the Polaris missile and so forth. And we also have the capability of swift massive retaliation against the Soviets. Under those circumstances, why don't we seek negotiations for a freeze now and carry on to reductions? That way we can halt the making of doomsday weapons and save billions to help poor people.

A. I know that there are people who have tried to figure this out. The truth of the matter is that on balance the Soviet Union does have a definite margin of superiority, enough so that there is risk and there is what I have called, as you all know, several times a window of vulnerability.

And I think that a freeze would not only be disadvantageous—in fact, even dangerous to us with them in that position—but I believe that it would also

inilitate against any negotiations for reduction. There would be no incentive for them, then, to meet with us and reduce.

Let me call your attention to what's going on in Geneva. They have 300 intermediate-range missiles with 900 warheads aimed at all of Western Europe and that includes Northern Africa and the Middle East. And there was no talk of any reduction of those weapons until our allies asked us to supply them with intermediate-range weapons as a deterrent and which would be placed in the countries of Western Europe. And then when I made my proposal last November, the Soviet Union is sitting down and talking with us on that.

If they're out ahead, we're behind, and we're asking them to cut down and join us in getting down to a lower level, there isn't much of an incentive.

Q. Are you saying that we are vulnerable now, right today, to a nuclear attack that we could not retaliate on?

A. That would be possible, because of some of our triad, retaliation, but the Soviet's great edge is one in which they could absorb our retaliatory blow and hit us again.

Q. Do you think that a nuclear war would be winnable or even survivable and under what conditions?

A. I just have to say that I don't think there could be any winners; everybody would be a loser if there's a nuclear war.

Q. Leonid Brezhnev yesterday implied that if the United States went ahead with the Pershing II missiles that the ground-launch cruise missiles—that he would take some kind of retaliatory step. Did you interpret this as a threat, and if so, how are you responding to him in private or how do you plan to respond to him?

A. I know that we're looking at all these various statements and so forth and analyzing them to see what they may mean. Frankly, I myself am inclined to believe that this is just part of the dialogue that goes on and part of a kind of a propaganda campaign that is aimed at making them look like the peacemakers and as if we're the seekers of war. And that is completely contrary to fact.

Q. But he's implying that he would perhaps install nuclear weapons

in this hemisphere. If that's the case, how would you respond?

A. The only place that he could install them in this hemisphere would be in Cuba, which is his satellite now, although they're working up to where it might be Nicaragua—also considered that.

But this would be in total violation, even though there have been other things we think are violations also, of the 1962 agreement at the time of the missile crisis.

And then there are options open to us that I would prefer not to discuss because, as you know, I don't like to discuss the things that we could or might or might not do.

Q. What do you think of the latest situation in Poland, especially in the light of your statement a few weeks ago that if necessary, you would impose more sanctions?

A. We're watching this. We have joined with our allies on a number of sanctions. We are working now with them in regard to the cutting off of credit to the nations like that, and to the Soviet Union, which we know is behind the whole Polish problem. At the same time that we are doing everything we can to try and help the Polish people without having it appear that their government is providing that help—some \$55 million in grain and corn that was provided by us, other things that we have been trying to do through the Catholic charities, and we are watching. I think that it is also necessary that they understand that there could be a carrot along with the stick if they straighten up and fly right.

Q. The right-wing parties in El Salvador, taken together, seem to have won the elections there. Will we back any government that abandons the social reforms that are now under-way there and specifically, would we back a government headed by Major D'Aubuisson?

A. Let me just say, we are watching this very carefully. I think that it would give us great difficulties if a government now appeared on the scene that totally turned away from the reforms that have been instituted. But I think right now—and before we begin inviting trouble or looking for that—we, all of us, should have been a little bit inspired by what took place there in that election. This morning Senator Kassebaum, the congressmen who were with

her on the trip down there to be observers at the election, have just told some things that ought to make us a little ashamed of ourselves and how much we take for granted in the right to vote. They told of a woman standing in the line who was hit by a ricochet—a bullet ricocheted—and refused to leave the line to have her wound tended until she had voted.

They told of another woman who was individually threatened with death by the guerrillas and she told them—she voted—and she told them: "You can kill me, you can kill my family, you cannot kill us all." They turned out in the face of that in greater numbers than we did. She said also that the attitude—and I wish more of this had been seen by Americans—she said that people, whenever they saw them, the people there in those voting lines called out their gratitude to the United States for the fact that we have been helping them.

Now they really showed that there is a real desire for democracy there, and I am, therefore, going to be optimistic about what happens and avoid a specific answer to your question.

Q. In your first press conference, you referred to the Soviet Union as having shown a pattern of, I believe you used the word "lying and cheating" over the years. Tonight you're calling upon a return to civilized conduct and a sustained negotiation on nuclear arms. Have you, in your 15 months in office, formed any different opinion than you came into office with about the Soviet Union. Are they more conciliatory than you thought they were?

A. No, I don't think they've changed their habits. I think, however, they're in a more desperate situation than I had assumed that they were economically. Their great military buildup has, and at the expense of denial of consumer products up to and including food for their people, now left them on a very narrow edge and that's why we're proposing to our allies a shut-off of credit with regard to the Polish and the Afghanistan situation.

Q. Do you think the recent clashes between the Israeli military and the Palestinians on the West Bank will destroy progress toward the Palestinian autonomy?

A. I'm hopeful that it won't because

I have the pledge of my friend Menahem Begin and of President Mubarak that they are going forward and within the framework of the Camp David agreement to resolve all these other problems. I'm hopeful that we will see more progress on these talks after April 25th, when the transfer of the Sinai comes.

Israel claims that some of the mayors that they are ousting there are mayors that they themselves had appointed but that they believe have now become a part of the more radical PLO [Palestine Liberation Organization] wing.

But the Camp David agreement comes within Resolutions 242 and 338 of the United Nations. And they have, as I say, pledged to me that they're going to abide by that.

Q. Going back to your opening statement, how soon do you expect strategic arms negotiations to begin, and will they include a summit with Mr. Brezhnev?

A. We have been thinking possibly this summer would be—we would be ready as far as our own team is concerned. It takes a lot of work to prepare for one of these. You don't just go and sit down at the table and say: "Let's talk about nuclear weapons." And then there will have to be our own review. We've had quite a talented group working on this. When we're ready, then, of course, setting a date will depend somewhat on the whole international situation. There could be things that could make it seem a little unseemly to propose such a meeting. But I would be hopeful that possibly we could do this by this summer.

Text from White House press release. ■

Peace and Deterrence

Secretary Haig's address before Georgetown University's Center for Strategic and International Studies on April 6, 1982.¹

It is a melancholy fact of the modern age that man has conceived a means capable of his own destruction. For 37 years mankind has had to live with the terrible burden of nuclear weapons. From the dawn of the nuclear age, these weapons have been the source of grave concern to our peoples and the focus of continuous public debate. Every successive president of the United States has shared these concerns. Every Administration has had to engage itself in this debate.

It is right that each succeeding generation should question anew the manner in which its leaders exercise such awesome responsibilities. It is right that each new Administration should have to confront the awful dilemmas posed by the possession of nuclear weapons. It is right that our nuclear strategy should be exposed to continuous examination.

Strategy of Nuclear Deterrence

In debating these issues, we should not allow the complexity of the problems and the gravity of the stakes to blind us to the common ground upon which we all stand. No one has ever advocated nuclear war. No responsible voice has ever sought to minimize its horrors.

On the contrary, from the earliest days of the postwar era, America's leaders have recognized that the only nuclear strategy consistent with our values and our survival—our physical existence and what makes life worth living—is the strategy of deterrence. The massive destructive power of these weapons precludes their serving any lesser purpose. The catastrophic consequences of another world war—with or without nuclear weapons—make deterrence of conflict our highest objective and our only rational military strategy for the modern age.

Thus, since the close of World War II, American and Western strategy has assigned a single function to nuclear weapons: the prevention of war and the preservation of peace. At the heart of this deterrence strategy is the requirement that the risk of engaging in war must be made to outweigh any possible

benefits of aggression. The cost of aggression must not be confined to the victims of aggression.

This strategy of deterrence has won the consistent approval of Western peoples. It has enjoyed the bipartisan support of the American Congress. It has secured the unanimous endorsement of every successive allied government.

Deterrence has been supported because deterrence works. Nuclear deterrence and collective defense have preserved peace in Europe, the crucible of two global wars in this century. Clearly, neither improvement in the nature of man nor strengthening of the international order has made war less frequent or less brutal. Millions have died since 1945 in over 130 international and civil wars. Yet nuclear deterrence has prevented a conflict between the two superpowers, a conflict which even without nuclear weapons would be the most destructive in mankind's history.

Requirements for Western Strategy

The simple possession of nuclear weapons does not guarantee deterrence. Throughout history societies have risked their total destruction if the prize of victory was sufficiently great or the consequences of submission sufficiently grave. War and, in particular nuclear war, can be deterred, but only if we are able to deny an aggressor military advantage from his action and thus insure his awareness that he cannot prevail in any conflict with us. Deterrence, in short, requires the maintenance of a secure military balance, one which cannot be overturned through surprise attack or sudden technological breakthrough. The quality and credibility of deterrence must be measured against these criteria. Successive administrations have understood this fact and stressed the importance of the overall balance. This Administration can do no less.

The strategy of deterrence, in its essentials, has endured. But the requirements for maintaining a secure capability to deter in all circumstances have evolved. In the early days of unquestioned American nuclear superiority the task of posing an unacceptable risk to an aggressor was not difficult. The threat of massive retaliation was fully credible as

long as the Soviet Union could not respond in kind. As the Soviet Union's nuclear arsenal grew, however, this threat began to lose credibility.

To sustain the credibility of Western deterrence, the concept of flexible response was elaborated and formally adopted by the United States and its NATO partners in 1967. Henceforth, it was agreed that NATO would meet aggression initially at whatever level it was launched, while preserving the flexibility to escalate the conflict, if necessary, to secure the cessation of aggression and the withdrawal of the aggressor. The purpose of this strategy is not just to conduct conflict successfully if it is forced upon us but, more importantly, to prevent the outbreak of conflict in the first place.

Flexible response is not premised upon the view that nuclear war can be controlled. Every successive allied and American government has been convinced that nuclear war, once initiated, could escape such control. They have, therefore, agreed upon a strategy which retains the deterrent effect of a possible nuclear response, without making such a step in any sense automatic.

The alliance based its implementation of flexible response upon a spectrum of forces, each of which plays an indispensable role in assuring the credibility of a Western strategy of deterrence. At one end of the spectrum are America's strategic forces, our heavy bombers, intercontinental missiles, and ballistic missile submarines. Since NATO's inception, these forces have been the ultimate guarantee of Western security, a role which they will retain in the future.

At the other end of the spectrum are the alliance's conventional forces, including U.S. forces in Europe. These forces must be strong enough to defeat all but the most massive and persistent conventional aggression. They must be resistant and durable enough to give political leaders time to measure the gravity of the threat, to confront the inherently daunting prospects of nuclear escalation, and to seek through diplomacy the cessation of conflict and restoration of any lost Western territory. The vital role which conventional forces play in deterrence is too often neglected, particularly by those most vocal in their concern over reliance upon nuclear weapons. A strengthened conventional posture both strengthens the deterrent effect of nuclear forces and reduces the prospect of their ever being used.

Linking together strategic and conventional forces are theater nuclear

forces, that is, NATO's nuclear systems based in Europe. These systems are concrete evidence of the nature of the American commitment. They are a concrete manifestation of NATO's willingness to resort to nuclear weapons if necessary to preserve the freedom and independence of its members. Further, the presence of nuclear weapons in Europe insures that the Soviet Union will never believe that it can divide the United States from its allies or wage a limited war with limited risks against any NATO member.

The strategy of flexible response and the forces that sustain its credibility reflect more than simply the prevailing military balance. Western strategy also reflects the political and geographical reality of an alliance of 15 independent nations, the most powerful of which is separated from all but one by 4,000 miles of ocean.

Deterrence is consequently more than a military strategy. It is the essential political bargain which binds together the Western coalition. Twice in this century, America has been unable to remain aloof from European conflict but unable to intervene in time to prevent the devastation of Western Europe. In a nuclear age neither we nor our allies can afford to see this pattern repeated a third time. We have, therefore, chosen a strategy which engages American power in the defense of Europe at the outset and gives substance to the principle that the security of the alliance is indivisible.

The Task Ahead

During the past decade the Soviet Union has mounted a sustained buildup across the range of its nuclear forces designed to undermine the credibility of the Western strategy. Soviet modernization efforts have far outstripped those of the West. The development and deployment of Soviet intercontinental ballistic missiles now pose a serious and increasing threat to a large part of our land-based ICBM [intercontinental ballistic missile] force. A new generation of Soviet intermediate-range missiles is targeted upon our European allies.

In the last 10 years, the Soviets introduced an unprecedented array of new strategic and intermediate-range systems into their arsenals, including the SS-17, SS-18, and SS-19 ICBMs, the Backfire bomber, the Typhoon submarine and several new types of submarine-launched missiles, and the SS-20 intermediate-range missile. In contrast, during this same period, the United States exercised

restraint, introducing only the Trident missile and submarine and the slower air-breathing cruise missile.

In order to deal with the resulting imbalances, President Reagan has adopted a defense posture and recommended programs to the U.S. Congress designed to maintain deterrence, rectify the imbalances, and thereby support the Western strategy I have just outlined. His bold strategic modernization program, announced last October, is designed to insure the maintenance of a secure and reliable capability to deny any adversary advantage from any form of aggression, even a surprise attack.

The President's decision, in his first weeks in office, to go ahead with the production and deployment of the Pershing II and ground-launched cruise missiles, in accordance with NATO's decision of December 1979, represents an effort to

... the presence of nuclear weapons in Europe insures that the Soviet Union will never believe that it can divide the United States from its allies or wage a limited war with limited risks against any NATO member.

reinforce the linkage between our strategic forces in the United States and NATO's conventional and nuclear forces in Europe. A response to the massive buildup of Soviet SS-20s targeted on Western Europe, this NATO decision was taken to insure that the Soviet Union will never launch aggression in the belief that its own territory can remain immune from attack or that European security can ever be decoupled from that of the United States.

The improvements we are making in our conventional forces—in their readiness, mobility, training, and equipment—are designed to insure the kind of tough and resilient conventional capability required by the strategy of flexible response. It is important to recognize the interrelationship of these three types of

forces. The requirements in each category are dependent upon the scale of the others. Their functions are similarly linked. The Soviet Union understands this. That is why they have consistently proposed a pledge against the first use of nuclear weapons, an idea which has achieved some resonance here in the West.

NATO has consistently rejected such Soviet proposals, which are tantamount to making Europe safe for conventional aggression. If the West were to allow Moscow the freedom to choose the level of conflict which most suited it and to leave entirely to Soviet discretion the nature and timing of any escalation, we would be forced to maintain conventional forces at least at the level of those of the Soviet Union and its Warsaw Pact allies.

Those in the West who advocate the adoption of a "no first use" policy seldom go on to propose that the United States reintroduce the draft, triple the size of its armed forces, and put its economy on a wartime footing. Yet in the absence of such steps, a pledge of "no first use" effectively leaves the West nothing with which to counterbalance the Soviet conventional advantages and geopolitical position in Europe.

Neither do Western proponents of a "no first use" policy acknowledge the consequences for the alliance of an American decision not to pose and accept the risk of nuclear war in the defense of Europe. A "no first use" policy would be the end of flexible response and thus of the very credibility of the Western strategic deterrence. In adopting such a stance, the United States would be limiting its commitment to Europe. But the alliance cannot function as a limited liability corporation. It can only survive as a partnership to which all are equally and fully committed—shared benefits, shared burdens, shared risks.

Another concept which has recently attracted interest is that of a freeze on nuclear weapons. While being sensitive to the concerns underlying this proposal, we have had to underscore the flaws in such an approach. A freeze at current levels would perpetuate an unstable and unequal military balance. It would reward a decade of unilateral Soviet buildup and penalize the United States for a decade of unilateral restraint. As President Reagan stressed last week, such a freeze would remove all Soviet incentive to engage in meaningful arms control designed to cut armaments and reduce the risk of war.

Much of the argumentation for a nuclear freeze revolves around the question

of how much is enough. Each side possesses thousands of deliverable nuclear weapons. Does it really make any difference who is ahead? The question itself is misleading, as it assumes that deterrence is simply a matter of numbers of weapons or numbers of casualties which could be inflicted. It is not.

- Let us remember, first and foremost, that we are trying to deter the Soviet Union, not ourselves. The dynamic nature of the Soviet nuclear buildup demonstrates that the Soviet leaders do not believe in the concept of "sufficiency." They are not likely to be deterred by a strategy or a force based upon it.

- Let us also recall that nuclear deterrence must work not just in times of peace and moments of calm. Deterrence faces its true test at the time of maximum tension, even in the midst of actual conflict. In such extreme circumstances, when the stakes on the table may already be immense, when Soviet leaders may feel the very existence of their regime is threatened, who can say whether or not they would run massive risks if they believed that in the end the Soviet state would prevail?

- Deterrence thus does not rest on a static comparison of the number or size of nuclear weapons. Rather, deterrence depends upon our capability, even after suffering a massive nuclear blow, to prevent an aggressor from securing a military advantage and prevailing in a conflict. Only if we maintain such a capability can we deter such a blow. Deterrence, in consequence, rests upon a military balance measured not in warhead numbers but in a complex interaction of capabilities and vulnerabilities.

The Military Balance, Crisis Management, and the Conduct of American Diplomacy

The state of the military balance and its impact upon the deterrent value of American forces cast a shadow over every significant geopolitical decision. It affects on a day-to-day basis the conduct of American diplomacy. It influences the management of international crises and the terms upon which they are resolved.

The search for national interest and national security is a principal preoccupation of the leaders of every nation on the globe. Their decisions and their foreign policies are profoundly affected by their perception of the military balance between the United States and the Soviet

Union and the consequent capacity of either to help provide for their security or to threaten that security.

More important still, perceptions of the military balance also affect the psychological attitude of both American and Soviet leaders, as they respond to events around the globe. For the foreseeable future the relationship between the United States and the Soviet Union will be one in which our differences outnumber our points of convergence. Our objective must be to restrain this competition, to keep it below the level of force, while protecting our interests and those of our allies. Our ability to secure these objectives will be crucially influenced by the state of the strategic balance. Every judgment we make and every judgment the Soviet leadership makes will be shaded by it.

Thus the Soviet leadership, in calculating the risks of subversion or aggression, of acquiring new clients or propping up faltering proxies, must carefully evaluate the possibilities and prospects for an effective American response. Soviet calculations must encompass not only American capabilities to influence regional developments but American willingness to face the prospect of U.S.-Soviet confrontation and consequent escalation. American leaders, for their part, must go through comparable calculations in reacting to regional conflicts, responding to Soviet adventurism, and seeking to resolve international crises in a manner consistent with U.S. interests.

Put simply, our own vulnerability to nuclear blackmail, as well as the susceptibility of our friends to political intimidation, depends upon our ability and willingness to cope credibly with any Soviet threat. A strong and credible strategic posture enhances stability by reducing for the Soviets the temptations toward adventurism at the same time that it strengthens our hand in responding to Soviet political-military threats.

Arms Control and Nuclear Deterrence

In no area of diplomacy does the military balance have greater effect than in arms control. Arms control can reinforce deterrence and stabilize a military balance at lower levels of risk and effort. Arms control cannot, however, either provide or restore a balance we are unwilling to maintain through our defense efforts.

Just as the only justifiable nuclear strategy is one of deterrence, so the overriding objective for arms control is reducing the risk of war. The essential

purpose to arms control is not to save money, although it may do so. Its purpose is not to generate good feelings or improve international relationships, although it may have that effect as well. Arms control's central purpose must be to reinforce the military balance, upon which deterrence depends, at reduced levels of weapons and risk.

On November 18, President Reagan laid out the framework for a comprehensive program of arms control designed to serve these objectives. He committed the United States to seek major reductions in nuclear and conventional forces, leading to equal agreed limits on both sides. Last week he reviewed the steps we have taken.

- In Geneva we have put forth detailed proposals designed to limit intermediate-range nuclear forces and to eliminate entirely the missiles of greatest concern to each side. This proposal has won the strong and unified support of our allies.

- In Vienna we are negotiating, alongside our allies, on reductions in conventional force levels in Europe. These negotiations have gone on without real progress for over 8 years. Because we are now facing diplomatic atrophy, we must urgently consider how to revitalize East-West discussions of conventional force reductions and stimulate progress in these talks.

- Our highest priority, in the past several months, has been completing preparations for negotiations with the Soviet Union on strategic arms. Here too we will be proposing major reductions to verifiable, equal agreed levels. Here too we will be presenting detailed proposals when negotiations open.

The prospects for progress in each of these areas of arms control depend upon support of the President's defense programs. This imperative has been caricatured as a policy of building up arms in order to reduce them. This is simply not true. As President Reagan's proposals for intermediate-range missiles make clear, we hope that we never have to deploy those systems. But we must demonstrate a willingness to maintain the balance through force deployments if we are to have any prospect of reducing and stabilizing it through arms control.

Negotiations in the early 1970s on a treaty limiting antiballistic missile (ABM) systems provide an historic example. At the time, the Soviets had already built a system of ballistic missile defenses around Moscow. The United States had

deployed no such system. Arms control offered the only means of closing off an otherwise attractive and expensive new avenue for arms competition. Yet it was not until the American Administration sought and secured congressional support for an American ABM program that the Soviets began to negotiate seriously. The result was the 1972 treaty limiting anti-ballistic missile systems, which remains in force today.

This same pattern was repeated more recently with intermediate-range missiles. For years the Soviets had

It is . . . unrealistic to believe that the Soviet Union will agree to reduce the most threatening element of its force structure . . . unless it is persuaded that otherwise the United States will respond by deploying comparable systems itself.

sought limits on U.S. nuclear forces in Europe but refused to consider any limits upon their nuclear forces targeted upon Western Europe. Only after NATO took its decision of December 1979 to deploy U.S. Pershing II and ground-launched cruise missiles did the Soviet Union agree to put its SS-20 missiles on the negotiating table.

In the area of strategic arms, as well, there is little prospect the Soviet Union will ever agree to equal limits at lower levels unless first persuaded that

the United States is otherwise determined to maintain equality at higher levels. It is, for instance, unrealistic to believe that the Soviet Union will agree to reduce the most threatening element of its force structure, its heavy, multiwar-headed intercontinental missiles unless it is persuaded that otherwise the United States will respond by deploying comparable systems itself.

For many opposed to reliance on nuclear weapons—even for defense or deterrence—the issue is a moral one. For those who first elaborated the strategy of deterrence, and for those who seek to maintain its effect, this issue is also pre-eminently moral. A familiar argument is that, in a nuclear age, we must choose between our values and our existence. If nuclear weapons offer the only deterrent to nuclear blackmail, some would argue we should submit rather than pose the risk of nuclear conflict. This choice, however, is a false one. By maintaining the military balance and sustaining deterrence, we protect the essential values of Western civilization—democratic government, personal liberty, and religious freedom—and preserve the peace. In failing to maintain deterrence, we would risk our freedoms, while actually increasing the likelihood of also suffering nuclear devastation.

As human beings and free men and women, we must reject this false alternative and avoid the extremes of nuclear catastrophe and nuclear blackmail. In the nuclear age, the only choice consistent with survival and civilization is deterrence.

An eminent theologian once described our age as one in which “the highest possibilities are inextricably intermingled with the most dire perils.” The scientific and technological advances so vital to our civilization also make possible its destruction. This reality cannot be wished away.

Americans have always been conscious of the dilemmas posed by the nuclear weapon. From the moment that science unleashed the atom, our instinct and

policy have been to control it. Those who direct America's defense policies today share completely the desire of people everywhere to end the nuclear arms race and to begin to achieve substantial reductions in nuclear armament.

Confronted by the dire perils of such weapons, America has responded in a manner that best preserves both security and peace, that protects our society and our values, and that offers hope without illusion. The strategy of deterrence has kept the peace for over 30 years. It has provided the basis for arms control efforts. And it offers the best chance to control and to reduce the dangers that we face.

Deterrence is not automatic. It cannot be had on the cheap. Our ability to sustain it depends upon our ability to maintain the military balance now being threatened by the Soviet buildup. If we are to reinforce deterrence through arms control and arms reduction, we must convince the Soviets that their efforts to undermine the deterrent effect of our forces cannot and will not succeed.

The control and reduction of nuclear weapons, based on deterrence, is the only effective intellectual, political, and moral response to nuclear weapons. The stakes are too great and the consequences of error too catastrophic to exchange deterrence for a leap into the unknown. The incentives for real arms control exist, and we have both the means and the duty to apply them.

Let us be clear about our objectives in the nuclear era. We seek to reduce the risk of war and to establish a stable military balance at lower levels of risk and effort. By doing so today, we may be able to build a sense of mutual confidence and cooperation, offering the basis for even more ambitious steps tomorrow. But above all, we shall be pursuing the “highest possibility” for peace.

¹Press release 117. ■

Interview on "Meet the Press"

Secretary Haig was interviewed on NBC's "Meet the Press" on March 28, 1982, by Bill Monroe, NBC News (moderator and executive producer); Karen E. House, Wall Street Journal; Morton Kondracke, New Republic magazine; and Marvin Kalb, NBC News.¹

Q. NBC News reports from El Salvador today that voting in that country is heavy with long lines of voters, but some people are saying that today's elections may not make much difference because when it's over, the civil war and economic deterioration will just continue. What is the prospect, in your view, that talks between the new government and guerrilla groups or some other process might bring actual improvement in that country.

A. I think it's a little early to say. Clearly, President Duarte, who's currently in charge, has made it clear that he would be willing to talk to the left providing they will lay down their arms and join in a peaceful political process. We have never been averse to that here in the United States and would favor such an outcome.

Q. Can you offer us any more hope than what you've just expressed that some improvement might come in El Salvador after today's elections? Many people feel, for example, that the prospect of the guerrillas laying down their arms for talks is very slim, if existent at all.

A. I think the very fact of a free election, the outcome of which will be a constituent assembly of some 60 deputies, is a step in the political process toward democratization. It stands rather in sharp contrast to the Sandinista government which has been in place substantially longer in time and which has yet to program a specific date for the expression of the will of the people of Nicaragua. They talk about 1985. So I think the Salvadoran example is one that deserves our support and is a source of some encouragement.

Q. One possible outcome in today's election in El Salvador is the possible victory of Roberto D'Aubuisson who is regarded as an extreme rightwinger. He favors using napalm on the guerrillas, and he has been called by the

previous U.S. ambassador a pathological killer. What are the chances that the United States might cooperate with or support a government headed by D'Aubuisson?

A. If we espouse democratic process and the people of El Salvador in credible elections select a candidate, I think that's their business.

As far as the United States is concerned, we have supported the current regime based on the reforms that regime has instituted: land reform, improved pluralization and democratic reform, efforts to improve the human rights situation, economic reform. Clearly, both before the election and after the election—whatever the outcome—it will be adherence to those principles that will determine the level of American support.

Q. The President said, when he announced sanctions against the Soviet Union and Poland shortly after the military crackdown there, that if things didn't get better, there would be further steps. Since the credibility of the United States is at stake, when will we see these further sanctions and what will they be?

A. I think we have seen a steady increase of sanction pressure against the Soviet Union. We have used an approach which is not unilateral but rather multilateral. In other words, it's clear by any measure of analysis that what the United States alone is able to do in this area is rather limited, so we have attempted to proceed on a broad base, using our NATO allies and the Atlantic community, including Japan, to work together to deal with pressures on the Soviet Union. We've had both political and economic coordination—some measures taken in concert, some unilaterally, dependent on what is the most effective and meaningful approach.

With respect to Poland we have in a very united way isolated that regime and put Poland, if you will, on the back of the Soviet Union in economic and credit terms. We are now engaged in a process of seeking to deal with the subject of future credits and future credit guarantees with the Soviet Union. Under Secretary [for Security Assistance, Science and Technology] Buckley has just returned from what is an initial effort to put a mechanism in place to do that more effectively in the period ahead.

Q. There are a number of experts

who say our sanctions and our credibility both would be much more effective if we had a more credible threat and a more attractive carrot to offer in dealing with that problem. Do you subscribe to that? And, if so, what are the carrots and what are the sticks that we can continue pursuing this with?

A. The most meaningful area for pressure on the Soviet Union, assuming continuation of the crackdown, is of course in the area of credits. There is no question about that, and all of our analyses have confirmed it. So that is the area of primary focus.

With respect to carrots, we've made it very, very clear to both the Soviet Union and the Polish leadership that the West is prepared to concert together to offer substantial economic and commodity and trade supports for Poland if there's a return to the reconciliation of the elements in Poland.

Q. As you know, there's a movement in Congress and in the public advocating a bilateral U.S.-Soviet nuclear freeze. What's the Administration's response to this idea?

A. I think later this week—about mid-week—the President is going to address this issue, and I would prefer to leave it to him. But it's clear that we view the Brezhnev freeze proposal as neither a freeze nor an acceptable proposal. It's tantamount to the option of "quit while you're behind," and I don't think the American people want that.

Q. The President said that the Brezhnev proposal was not good enough, that he was going to advocate real reductions in nuclear weapons. But why not freeze at the start of talks over strategic reductions to insure that the arsenals don't get bigger and also to insure that in case the talks fail, something will be accomplished?

A. Why don't we let the President address the issue for the American people, which he will do with clarity and definiteness. I think it's well to recall the experiences we had in Western Europe at the time the Soviets commenced the deployment of the SS-20 which has now reached a level of one new system every 5 days and a level of 300 such systems.

There were those in Europe and on this side of the Atlantic during that deployment period that recommended that we sit down and talk. We made such offers and the Soviets rejected any such approaches until the West decided

that they would start their own modernization program with the Pershing IIs and the ground-launched cruise missiles. When that decision was made in December of 1979, shortly thereafter the Soviets agreed to sit down and talk.

It's an unfortunate fact of life, but you wouldn't go to a negotiating table as a labor leader or a representative of business without incentives.

Q. Will the President's speech be a comprehensive statement of foreign policy?

A. No, not at all.

Q. Will it be the beginning of the START [Strategic Arms Reduction Talks] talks which have been long delayed?

A. No. The President is going to discuss this issue in conjunction with a press conference that he'll have—as I understand, a brief opening statement. There will be subsequent pronouncements, of course, in the period ahead.

Q. Going back to D'Aubuisson—the possibility of him winning in El Salvador—for a minute, would American support be contingent upon D'Aubuisson accepting the Duarte program of continued reform in El Salvador?

A. I don't like to engage in conditionality on a situation which is now in the hands of the people of El Salvador. I think the broad comments I made at the outset of the show, that American support and the degree of that support thus far provided is premised largely on the adherence of the current regime in El Salvador to the reforms that represent American objectives in the region and are compatible with American values. It's clear that in the future our level of support will continue to be premised on those values.

Q. On another subject concerning the space shuttle, is there any reason to believe that the Soviet Union might have been responsible in any way for interference with communication between the shuttle and control in Houston?

A. I'm not aware of any such possibility.

Q. The question comes up because of this highly energized radar system that the Russians have in Rostov that is capable of doing that. I just wondered if there's any evidence to that effect.

A. I've seen none personally.

Q. On still another subject—the

Middle East—with the violence that has taken place in both Gaza and the West Bank in recent weeks, does the Administration fear that the situation will move toward an Israeli annexation of the West Bank?

A. No. I think not. And I think Prime Minister Begin stated last week that the interim 5-year period, during which the future status of the West Bank and Gaza is to be determined under the autonomy formula, will be honored by Israel. And I'm optimistic that they will be as good as their word, as they will be with the return of the Sinai scheduled for the month of April.

Q. Is the United States at this point preparing some kind of new initiative that would go beyond Camp David and try to amplify and push toward a Palestinian autonomy agreement?

A. I think Camp David and the provisions of autonomy laid out in the Camp David agreements are adequate. What we need to do is to get further progress. That has been difficult during a period when both sides are focused almost exclusively on the return of the Sinai and the arrangements associated therewith.

And incidentally, in the case of Israel, this is a very traumatic period for them because they are, after all, now being required to relinquish what has been a strategic buffer that came out of the Sinai occupation and to move settlers who had moved in there and set down their roots over an extended period. This kind of a transition is difficult; and, therefore, I would hope that in the period following the relinquishment of the Sinai, we will find greater progress in autonomy.

Q. Do you feel that there is room for an American initiative following the withdrawal from the Sinai?

A. I think the American initiative is to serve as a solid partner, as we have been, in the process of Camp David—the framework established at Camp David. People, in their frustration and impatience, forget that in just a period of a brief few years the United States has witnessed and participated in an unprecedented treaty between Israel and Egypt, states that have had three decades of animosity, and that normalization has begun. Clearly we have to recognize that excess impatience can

bring about the very outcome we are seeking to avoid.

Q. Some Central American countries, as you know, have been oppressed for decades by military juntas or by dictators who sometimes seem to serve large landowners and who have a tendency to murder their opponents. Do you have any objection to the citizens of such countries forcibly rebelling against such governments?

A. You have put your finger on a very sensitive contemporary question, in which we Americans sit here and always seek to pontificate and create mirror images of the American society worldwide in societies which are less than capable of dealing—it took 200 years of American history to bring us to our current high state of democratic sophistication.

The real problem in contemporary terms is that the Marxist-Leninist ideology has, if you will, perverted classic support for revolution in the quest of social justice to espouse such revolutions under the guise of a search for social justice, but which really are tantamount to the imposition of totalitarianism of the kind we are seeing emerge in Nicaragua, that we are witnessing in Eastern Europe in the tragedy of Poland today. And I think we Americans have to be a little more clear headed and clear eyed.

Q. We often hear the charge that the United States, by siding with repressive governments, often opens the door to the Communists to move in on legitimate revolutions and gain control of them. In other words, the question is, why shouldn't the United States, which is still proud of its own revolution, befriend an occasional revolution in the 20th century?

A. First, I think it should be understood very clearly that President Reagan's policy with respect to extremism from the right or from the left is balanced and objective, and we would oppose either.

On the other hand, there is a great tendency also in American society and our Anglo-Saxon roots to both misread and misunderstand perhaps the role of the military in the romantic societies where, historically, they are frequently viewed as the protectors of the liberties of the people.

That is not a view that we Americans have ever shared, with our Cromwellian experiences; but we must be sensitive to these differences and not believe we have either the luxury or the

ability to recreate the world in our own image and in contemporary terms. We have to assist, we have to facilitate, and we have to conduct our policies in a credible, rational way in which the imposition of our standards does not result—as they did in Iran and have in several other model cases—in something far more onerous to the values that you and I espouse.

Q. I want to read you a quote from a prominent Israeli, Abba Eban, commenting on the present Israeli Government's policies on the West Bank. He said, "I can't think of anything more grotesque than a government which professes to aspire full autonomy for the Palestinians on a national scale canceling the limited municipal autonomy that already exists." What is our policy toward the Israeli Government's de facto annexation on the West Bank?

A. First, I would not subscribe to the term "de facto annexation." There have been a number of measures taken by the current government in Israel that have not been a source of comfort to this government. On the other hand, I think "annexation" is somewhat too stark.

Also, it is important that we keep the whole issue of this contemporary violence on the West Bank, which we abhor, in proper perspective. I think you will recall there were some measures taken also by the Government of Jordan which tended to trigger the events that we are faced with today. And I think it is important, whether we are in the United Nations or here in our own nation's capital, that we attempt to maintain a level of objectivity on these very vexing questions.

Q. Can I switch you rapidly to another part of the world, China? We all seem to agree that China is a "strategic asset," to use this Administration's words, and yet there is a growing impression that this Administration no longer subscribes to the one-China policy of Richard Nixon, Jerry Ford, and Jimmy Carter. Is it fair to say that U.S.-China relations have deteriorated?

A. It is fair to say that they are at a very sensitive stage, but it would be totally unfair to attribute that to the policies of this Administration. There has been no departure whatsoever from

longstanding, four-Administration approaches to this problem of one China. What we have had is a situation in China itself where some of the aspects of the value of a relationship with the United States have been put in question, and that goes beyond the difficult issue of Taiwan and arms for Taiwan. It involves assessments of American credibility, after years of American inability in a post-Vietnam period to deal realistically and effectively with Soviet imperialism or, as our Chinese friends refer to it, "the quest for hegemony."

It involves perhaps disappointment that the relationship with the United States did not bring an explosion toward modernization with vast amounts of American credit, technology, and resources. And it also involves the very sensitive question of Taiwan.

So we should not believe that history started this past January. We are living today with the consequences of decades of previous American policies—bi-partisan, of course.

Q. Critics of the Administration say that in almost every area of the world there is more disarray now than there was when you took office, and these critics would cite Central America, the Middle East, Europe, and U.S.-Soviet relations. They also allege that the Administration lacks a coherent, strategic design. I realize this question covers a lot of ground, but can you tell us, in outline at least, what your strategy is, or at least when the President will make a speech telling us these—

A. No. First, let me say that the answer to your question and its inferences is "nonsense." Nonsense. Over the past 15 months, would you please cite for me a major setback for U.S. interests, where the Soviet Union, as it did in the previous 5 years—ranging from the takeover of Angola, of Ethiopia, of Southern Yemen, of Afghanistan, increased influence and dangerous trends in Iran. We haven't had a repeat of that over the last 15 months.

Sure, tensions have risen in Central America, but they began long before this Administration came into power, and if you are able to assess this objectively, I'm sure you will agree with that. You will recall that when we came into office in January, the major guerrilla offensive had just taken place and fortunately failed. You will recall that the stirrings

in the Middle East, which we are concerned with today, were a reflection of total stalemate in the Camp David process, which for 3 years had not moved forward.

With respect to the Soviet Union, I think it was necessary for this President—and for the American people who put this President in office—to correct the deficiencies that I just touched upon; to make it clear to the Soviets that we are prepared to deal with them on a normalized basis, with rationality and mutual benefit, only if they will engage in increased restraint in a period of excessive Soviet interventionism worldwide.

Q. In this brief period of time, it's probably unfair to ask this question, but would the Administration consider working with the Soviet Union on a ban on the first use of nuclear weapons?

A. I think this is a very difficult question that has historic overtones. It involves the fundamental strategic approach that free Western nations have taken since the nuclear genie came out of the bottle. It involves the belief that what we want is substantial reductions in levels of nuclear armaments, not public posturing with rather superficially attractive gimmickry. That kind of a non-first-use proposal we have rejected historically over several decades when the Soviets have raised it for their own purpose.

Q. But what about the idea of the Administration seeming to come forward now, wanting nuclear arms controls. You don't have much time.

A. There is no question but that the President is a strong advocate of substantial nuclear reduction.

¹Press release 107 of Mar. 29, 1982. ■

U.S. Responds to Soviet Missile Proposal

Following are President Reagan's opening remarks before the Oklahoma State Legislature and a statement by Larry Speakes, principal Deputy Press Secretary, on March 16, 1982.¹

PRESIDENT'S REMARKS

Before I begin my planned remarks this morning, I would like to speak again to the question of controlling nuclear arms, a subject of deep concern to all Americans, to our allies, and to the people of the world. The hope of all men everywhere is peace—peace not only for this generation but for generations to come. To preserve peace, to insure it for the future, we must not just freeze the production of nuclear arms; we must reduce the exorbitant level that already exists.

Those who are serious about peace, those who truly abhor the potential for nuclear destruction, must begin an undertaking for real arms reduction. President Brezhnev has proposed a unilateral moratorium on further deployment of SS-20 missiles in Western Europe. Well, I say today, as I said yesterday, and as I made clear on November 18th, a freeze simply isn't good enough, because it doesn't go far enough. We must go beyond a freeze.

Let's consider some facts about the military balance in Europe. The Soviet Union now has 300 brand new SS-20 missiles with 900 warheads deployed. All can hit targets anywhere in Western Europe. NATO has zero land-based missiles which can hit the U.S.S.R.

When President Brezhnev offers to stop deployments in Western Europe, he fails to mention that these are mobile missiles. It doesn't matter where you put them, since you can move them anywhere you want, including back to Western Europe. And even if east of the Urals, they could still target most of Western Europe.

Our proposal, now on the table in Geneva, is that we not deploy any of the intermediate missiles in Europe, in exchange for Soviet agreement to dismantle what they now have there. And that's fair. That is zero on both sides. And if President Brezhnev is serious

about real arms control—and I hope he is—he will join in real arms reduction.

STATEMENT BY SPEAKES

Upon examination, the "unilateral moratorium" offered by President Brezhnev is neither unilateral nor a moratorium.

The offer, President Brezhnev makes clear, is limited to the European Soviet Union, thus leaving the U.S.S.R. free to continue its SS-20 buildup east of the Urals, well within range of Western Europe. As we have noted on many occasions, given its range and mobility, an SS-20 is a threat to NATO wherever located.

President Brezhnev clearly links his "unilateral" offer to the condition that Western preparations for the deployment of ground launched cruise missiles (GLCM) and Pershing II's, agreed upon in December 1979, do not proceed. This condition, plus the fact that the Soviets have already prepared sites for new SS-20s west as well as east of the Urals, demonstrate that this is a propaganda gesture and that the Soviets do not really intend to stop their SS-20 buildup.

The Soviet SS-20 force already exceeds the dimensions of the expected threat when NATO took its decision of December 1979 to deploy U.S. GLCM and Pershing II missiles in Europe and to seek, through arms control, to reduce planned levels of long-range intermediate nuclear force (INF) missiles on both sides. The Soviets now have 300 SS-20 missiles deployed, with 900 warheads. Brezhnev's freeze proposal is designed, like previous Soviet statements over the past 3 years, to direct attention away from the enormous growth of Soviet capabilities that has already taken place and the enormous preponderance that the Soviet Union has thereby acquired.

It is unfortunate that the Soviets did not choose to exercise real restraint before their SS-20 buildup began. NATO, for its part, has been observing restraint on INF missiles for well over a decade, which the Soviets simply exploited.

In sum, President Brezhnev's offer is neither evidence of Soviet restraint nor is it designed to foster an arms control agreement. Like previous such Soviet freeze proposals, this one seeks to legitimize Soviet superiority, to leave the Soviet Union free to continue its buildup, to divide the NATO alliance, to stop U.S. deployments, and, thus, to secure for the Soviet Union unchallenged hegemony over Europe.

The United States has put forward concrete proposals in Geneva for the complete elimination of missiles on both sides, cited by Brezhnev in his remarks of today. We regret the Soviet Union apparently prefers propaganda gestures to concentrating on serious negotiations in Geneva. For its part, the United States, with the full support of its allies, will continue to implement both tracks of the December 1979 decision on the deployment of new systems to Europe and the pursuit of genuine arms control, which we hope will make those deployments unnecessary.

President Brezhnev's proposal to place limits on the operations of missiles submarines is also not a serious proposal. U.S. submarines, by deploying to extensive ocean areas, are able to remain invulnerable to Soviet attack and thus constitute a stable deterrent force. Reducing their area of operations in the world's oceans would increase their vulnerability and erode our confidence in their deterrent capability. The Soviet proposal, therefore, is entirely self-serving. Having made a large fraction of our land-based ICBM [intercontinental ballistic missile] force vulnerable through their large ICBM buildup, the Soviets, in this proposal, are attempting to reduce the confidence we have in the seabased leg of our deterrent.

The proposal for a ban on the deployment of ground-based, long-range cruise missiles is yet another transparent effort to disrupt NATO's 1979 two-track decision. Moreover, in focusing on sea-based as well as land-based, long-range cruise missiles, the proposal

Arms Control in Proper Perspective

by Eugene V. Rostow

Statements before the Committee on Disarmament in Geneva on February 9, 1982. Mr. Rostow is Director of the Arms Control and Disarmament Agency (ACDA).

Being in this beautiful room, the Council Chamber of the League of Nations—the Sert Room—to recall the artist who painted the murals is always a moving and a chastening experience. The memory of lost battles hovers in the air, reminding us that good intentions are not enough.

Last fall many of you participated in the meeting of Committee I [Political and Security] of the U.N. General Assembly at which I had the honor to present the position of the United States. I shall try not to repeat here what I said on that occasion. But a certain degree of repetition is inevitable in the interest of continuity and desirable in the interest of emphasis. For that I apologize and ask you and my other colleagues to forgive me.

Before Committee I, I noted the abiding support of the United States for the work of the Committee on Disarmament. It has taken one practical step after another to reduce the danger of war, and particularly of nuclear war. We can all draw resolve as well as pride from this record which has given powerful impetus to the arms control movement in general and to the role of the committee and its predecessors in the diplomacy which led the nations to a series of useful agreements—the Limited Test Ban Treaty of 1963, the Nuclear Nonproliferation Treaty of 1968, the Seabed Arms Control Treaty of 1971, the Biological Weapons Convention of 1972, and the Environmental Modification Convention of 1977.

The Committee on Disarmament is unusual among multilateral organizations both in its mandate and in its methods of work. Its objective is not only to exhort the nations but to develop consensus looking to realistic action on the matters which come before it.

In noting the importance of the committee's work, I do not wish to be misunderstood. The committee cannot

and should not force consensus where none exists. A willingness to compromise on nonessentials is one of the most vital and appealing qualities of democracy—it is the basis for social and political life in democratic societies. It is equally important to the possibility of international cooperation. The United Nations exists, after all, as a center for harmonizing the actions of the member states in seeking to attain the purposes of the charter. But compromise on nonessentials cannot and must not mean submerging fundamental differences. The charter is founded on the principle of respect for the equal rights of nations large and small. Consensus should never be sought by asking any nation to sacrifice its fundamental and inherent rights.

While it may seem paradoxical, the way toward consensus can often be eased by a frank and thorough airing of differences. And, where consensus is not possible, a clear understanding of why this is the case can make an important contribution to eventual agreement. For this reason, among others, the United States will not hesitate to set forth its views on the controversial issues with which this committee deals. We expect others to be equally frank. I assure you that in developing our future positions, we shall give respectful attention to views which differ from our own.

In the spirit of that precept, I should like now to direct attention to the key relationship between the state of world politics and a number of arms control projects which are, or should be, on our agenda. The arms control effort should be a formative influence in the process of world politics and a catalyst for peace. But the converse of that sentence is also true. At any given moment, the state of world politics can all too easily frustrate and overwhelm the potentialities of arms control. That is the challenge faced by all who are working in the cause of peace today.

State of World Politics and Arms Control Agenda

In my remarks last fall before Committee I, I made the point that there is a certain unreality in the traditional

ignores the hundreds of shorter range cruise missiles that the Soviet Union currently deploys aboard its warships.

Finally, we want to reiterate the four principles underlying the Reagan Administration's approach to arms control. These are to seek agreements that:

1. Produce significant reductions in the arsenals of both sides;
2. Are equal, since an unequal agreement, like an unequal balance of forces, can encourage coercion or aggression;
3. Are verifiable, because when our national security is at stake, agreements cannot be based simply upon trust; and
4. Enhance U.S. and allied security, because arms control is not an end in itself but an important means toward securing peace and international stability.

These four principles were highlighted by the President in his speech of November 18, 1981. They underlie our position in the current Geneva negotiations on the elimination of U.S. and Soviet intermediate-range nuclear missile forces. They also form the basis for our approach to negotiations with the Soviet Union on the reduction of strategic arms—the START talks.

¹Texts from Weekly Compilation of Presidential Documents of Mar. 22, 1982. ■

discussion of many hardy perennials on the arms control agenda of the General Assembly and of this committee. The reason for this tone of other-worldliness, I said, is that it has become the habit of the United Nations to ignore the central issue in any objective study of the problem of peace—the declining influence of Article 2(4) of the U.N. Charter on the behavior of states. This momentous sentence is necessarily the first commandment of the charter. It forbids the threat or the use of force against the territorial integrity or political independence of any state. Its prohibition is qualified only by the “inherent right” of individual or collective self-defense, protected categorically by Article 51 and by the powers of the Security Council.

Yet the last two decades and especially the last decade have witnessed a rising tide of threats to the peace, breaches of the peace, and aggressions—actions which have involved the threat or the use of force against the territorial integrity or political independence of states in every part of the world. From Southeast Asia to the Caribbean, state after state is under threat or under actual attack. Unprovoked aggressions occur without even the pretext or the excuse of self-defense. Armed bands and terrorists cross political boundaries with impunity to assault the political independence of states.

The habit of shameful silence or impotent protest in the face of aggression has many consequences—all bad. Perhaps the most insidious in the long run is its impact on international law. Law reflects the pattern of behavior which a society deems right. Legal norms can survive if they are not perfectly or instantly obeyed, so long as society seeks to enforce them and does so effectively in the end. But when the breach of declared legal norms becomes the rule rather than the exception, when a society gives up any serious effort to insist that its legal norms be obeyed, those declarations cease to be norms in any meaningful sense and become no more than pious platitudes. I ask you to look at a globe and count the number of places where war is raging in violation of Article 2(4), and then consider whether our failure to defend that article strictly and impartially is not, in fact, repealing it as a constitutional principle for the society of nations.

In the view of the United States, this question should be the first item on the agenda of the Committee on Disarmament. If Article 2(4) should become a dead letter, the quest for disarmament would be a quixotic and utopian activity. These are not words I use in a pejorative sense. The spirit of Cervantes and St. Thomas More are indispensable to civilization. Even so, we want arms control to be more than a dream, more than an aspiration. With the world in a state of anarchy, the effort to negotiate arms control agreements would cease to be a practical way for reinforcing and safeguarding peace. It would be nothing more than a despairing protest of the human spirit, a *cri du coeur*, expressing

. . . the last two decades . . . have witnessed a rising tide of threats to the peace, breaches of the peace, and aggression. . . . Unprovoked aggressions occur without even the pretext of the excuse of self-defense.

man's yearning for reason and decency in a world which was becoming more irrational and more menacing every day.

Driven by fear or by the lust for power, large and small nations rush to arm, although they continue to recite the litany of disarmament and arms control. It is no wonder, under such circumstances, that we have achieved no significant arms reduction agreements for nearly 10 years.

The basic cause of the declining influence of Article 2(4) in world affairs, and the corresponding eclipse of arms control, is the expansionist policy of the Soviet Union and the extraordinary military buildup on which it is based.

Soviet propaganda recognizes that the world lives under threat, but it proclaims that the threat to the peace is caused by a supposed “arms race,” which takes the form of a Western effort to attain military superiority over the Soviet Union and then start a nuclear war. There is no arms race. The history of the military balance between the Soviet

Union and the United States is clear for all to see. For many years after 1945, the Soviet Union had larger conventionally armed forces than the United States, and the United States had larger nuclear forces. During the 1970s, the Soviet Union continued to increase both its conventional and its nuclear forces, while the United States remained stable in the nuclear sphere and reduced its conventional forces. The United States did not race. On the contrary, it accepted what it described as an effort by the Soviet Union to attain parity and equality, a place in the sun, recognized status as a great power. Once the Soviet Union reached equality, many people in the West believed, it would end its military buildup and settle down to peaceful coexistence under the rules of the charter.

No one in the West can accept such views now. The Soviet Union has attained military parity with the United States by any measure, yet it continues to build its armed forces and to expand its empire by means of force.

In response, the United States, its allies, and many other nations have reluctantly undertaken the burden of modernizing their armed forces in a belated effort to restore the military balance.

The Soviet Union does not initiate all the turbulence in the world. A great deal occurs without benefit of Soviet intervention. But the Soviet Union does exploit and manipulate regional turbulence in the interest of enlarging its sphere of dominance. And the Soviet example tempts other states to commit aggression also, hoping for the immunity from effective response which the Soviet Union has thus far enjoyed in its imperial adventures.

Soviet expansion is not a marginal nuisance at the periphery of world politics. It is, on the contrary, one of the dominant elements determining the course of events. Soviet expansionism seeks to destroy the world balance of forces on which the survival of freedom depends. In that quest, the Soviet drive has gone too far. It has produced a wave of fear which will become a wave of panic unless we move promptly and effectively to restore Article 2(4) as part of the living law of international politics.

It is the conviction of the United States that the time has come for the peoples of the world and their governments to demand that the Soviet Union accept the only possible rule of true detente—that of scrupulous respect for

U.S. National Security

This section contains maps and charts illustrating the elements of U.S. national security. Emphasis is on collective defense arrangements, arms sales and arms control, and the projection of Soviet power. There is also a map depicting the military balance in the economically vital region of the Persian Gulf.

U.S. security interests are global in scope as a result of World War II. The destruction of the German and Japanese military regimes, the breakup of the colonial empires, and the need for economic assistance created by the war thrust the United States into a position of world leadership. But the war also created the basis for conflict with the U.S.S.R. It made the U.S.S.R. the strongest military power in Europe, left Eastern Europe under Communist control, and opened opportunities for international Communist subversion in other parts of the world. The United Nations, established in 1945 at the end of the war as the universal organ of collective security, could not overcome the developing East-West split.

In order to contain Soviet expansion, the United States adopted a policy of mutual security. The Greek-Turkish aid act of 1947

started the U.S. program of economic and military assistance to countries threatened by armed minorities or outside pressures. In the Rio Treaty of 1947, the United States strengthened its mutual defense arrangements with republics in the Western Hemisphere. And in the North Atlantic Treaty Organization (NATO), created in 1949, the United States joined Canada and 10 (later 13) Western European countries in the world's strongest defensive alliance.

U.S. security policy also includes a continuing effort to control armaments. This effort involves troop numbers and conventional arms, but especially nuclear weapons. In little more than a decade after the United States exploded the first atomic bomb over Japan in 1945, developments in rocketry and other fields had enabled the United States and the U.S.S.R. to create strategic forces equipped with long-range ballistic missiles armed with nuclear warheads. Unable to obtain Soviet agreement to a plan for international control of nuclear energy in 1946, the United States has supported multilateral efforts to prevent proliferation of nuclear arms and has been engaged with the U.S.S.R. in bilateral talks for the purpose of limiting or reducing their strategic armaments.

Global responsibilities required a suitable foreign policy machinery. The chief innovation after World War II was the National Security Council (NSC), created by the National Security Act of 1947. Chaired by the President, with the Vice President and the Secretaries of State and Defense as regular members, the NSC was designed to help the President reach decisions on foreign policy issues which had become increasingly complex and involved the work of many agencies. In 1961 Congress also created the Arms Control and Disarmament Agency to operate under the guidance of the Secretary of State; the United States is the only country that has established a separate agency to deal with international arms control and disarmament.

This atlas is compiled and written in the Bureau of Public Affairs by Harry F. Young and edited by Colleen Sussman.

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U.S. Collective Defense Treaties

U.S. global strategy is based in part on a concept of collective security now embodied in four multilateral and three bilateral treaties, all in existence more than 20 years. Signatories are committed to help one another resist armed aggression. With Australia and New Zealand (ANZUS pact) and with Japan, South Korea, and the Philippines the commitment is limited to the Pacific.

The 1954 Southeast Asia Collective Defense Treaty committed the signatories—Australia, France, New Zealand, Pakistan, the Philippines, Thailand, and

the United States—to resist aggression against the Asian members and other regional territories the members might designate. Pakistan withdrew in 1973. Although in 1975 the remaining parties agreed to disband the Southeast Asian Treaty Organization, the obligations under the treaty remain in force. France maintains an inactive status.

Members of Inter-American Treaty of Reciprocal Assistance (Rio Treaty)

- Argentina
- Bolivia
- Brazil
- Chile
- Colombia
- Costa Rica
- Cuba (suspended)
- Dominican Republic
- Ecuador
- El Salvador
- Guatemala
- Haiti
- Honduras
- Mexico
- Nicaragua
- Panama
- Paraguay
- Peru
- Trinidad and Tobago
- Uruguay
- United States
- Venezuela

Members of North Atlantic Treaty Organization (NATO)

- Canada
- Belgium
- Denmark
- France
- West Germany
- Greece
- Iceland
- Italy
- Luxembourg
- Netherlands
- Norway
- Portugal
- Turkey
- United Kingdom
- United States



- NATO, 1949
- Rio Treaty, 1947
- Australia, New Zealand, U.S. pact (ANZUS), 1951
- Southeast Asia Collective Defense Treaty, 1954
- Bilateral defense treaties (Japan, 1960, S. Korea, 1953, Philippines, 1951)

U.S. Forces Abroad

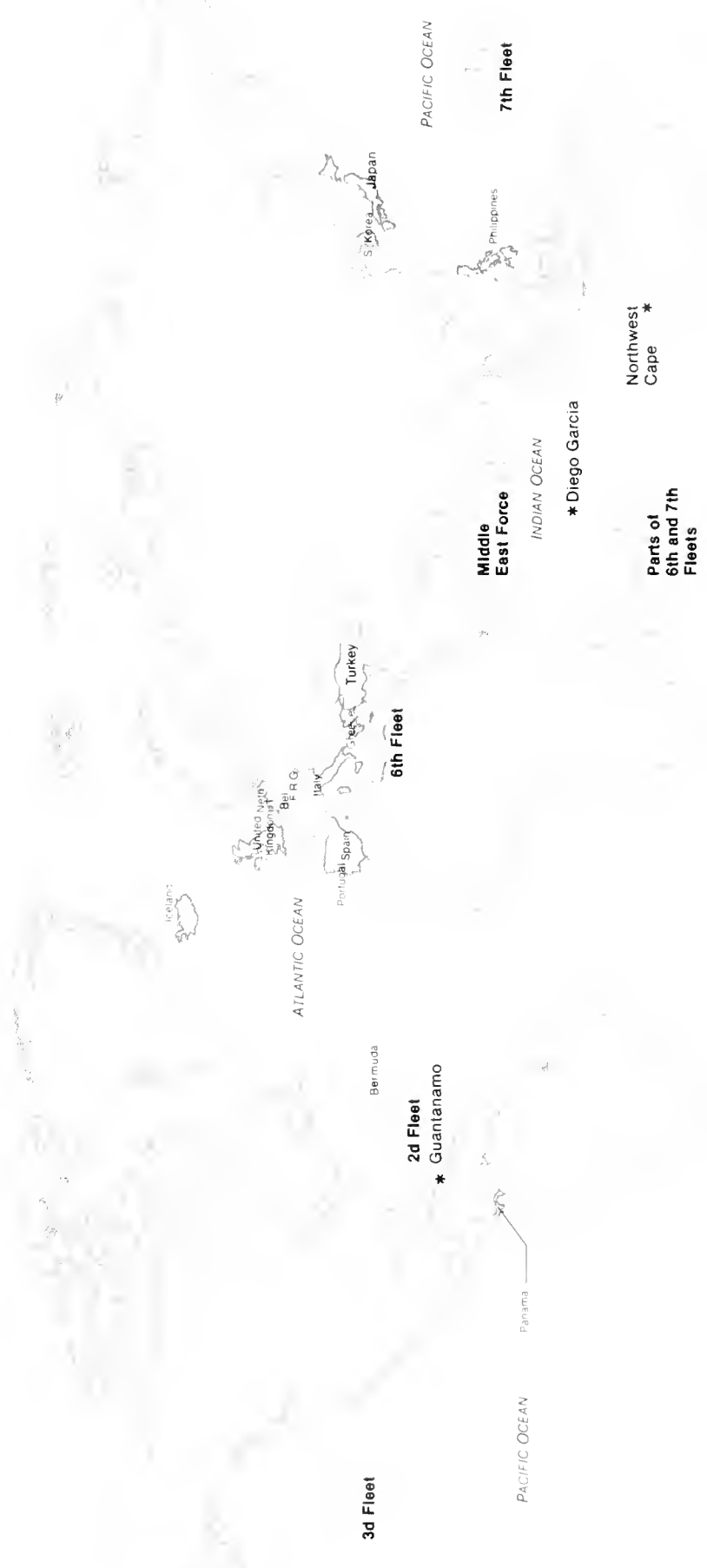
Under the treaties of collective defense and the requirements of its own global strategy, the United States deploys certain land, air, and naval forces in foreign countries and outside home waters. Out of a total of 2 million active-duty personnel in 1981, 485,660 were afloat or stationed overseas. At present the bulk of U.S. forces overseas is in Germany, Japan, and Korea.

In most countries U.S. military presence is governed by the mutual defense treaties and subsidiary agreements. In Spain U.S. air units are present under

the 1976 Treaty of Friendship and Cooperation (which also provides access to the Spanish naval base at Rota). The Guantanamo Naval Base dates from the U.S.-Cuban treaty of 1903, reaffirmed in 1934. And the U.S. naval communication station in Australia was established by special agreement in 1963. A 1966 agreement gave the United States access to the British naval facility at Diego Garcia in the Indian Ocean.

U.S. Active-duty Military Personnel Abroad, 1981

Total for all locations	485,660	East Asia and Pacific	124,492
Ashore	431,606	Afloat	21,530
Afloat	54,054	Japan	47,269
Major Locations Abroad		South Korea	39,317
Europe	328,577	Philippines	15,414
Afloat	18,577	Australia	636
West Germany	245,689	Other	326
United Kingdom	25,004	Western Hemisphere	16,642
Italy	12,756	Afloat	2,138
Spain	8,584	Panama	9,616
Turkey	5,050	Guantanamo	2,163
Greece	3,265	Other	2,725
Other	9,652		



* Naval installations
 Countries where more than 1,000 U.S. active-duty personnel are stationed

NATO-Warsaw Pact Comparison

The North Atlantic Treaty Organization (NATO) is the principal U.S. mutual defense arrangement. The common forces and unified commands developed since the treaty was signed in 1949 are limited to Europe and to Atlantic and Mediterranean waters and are designed to balance Soviet strength embodied in the Warsaw Pact signed in 1955. As a defensive arrangement, NATO holds to a strategy of deterrence. It is prepared to meet any attack with equal force, and it maintains a nuclear capability.

While NATO has had an edge in technology and weapons, the Warsaw Pact has long had a numerical superiority in military personnel and some equipment. In the late 1970s, the U.S.S.R. greatly improved its nuclear capability in the European theater by deploying the SS-20 mobile intermediate-range ballistic missile and introducing other weapons. NATO's response was to announce at the end of 1979 a program of modernization including future deploy-

ment of Pershing II medium-range ballistic missiles and cruise missiles under U.S. control. At the same time NATO proposed negotiations with the U.S.S.R. to reduce theater nuclear forces. These talks will be carried out in conjunction with the U.S.-Soviet negotiations on strategic, or long-range, nuclear weapons.

Since 1973 NATO and the Warsaw Pact have been negotiating for a "mutual and balanced reduction of forces" in order to establish armed parity in Central Europe.

Warsaw Pact and European Members of NATO



NATO

Area in Europe: 1 million sq. mi.
Population: 566 million (1978); (323 million in Europe).
GNP: \$4.4 trillion (1978).
GNP per capita: \$8,302.
Share of world GNP: 51%.

Chief international economic affiliations: All are members of Organization for Economic Cooperation and Development; Belgium, Denmark, France, W. Germany, Greece, Italy, Luxembourg, Netherlands, and the United Kingdom are in the European Economic Communities; Norway, Iceland, and Portugal are in the European Free Trade Association.

Warsaw Pact

Members:
 Canada
 Belgium
 Denmark
 France
 West Germany
 Greece
 Iceland
 Italy
 Luxembourg
 Netherlands
 Norway
 Portugal
 Turkey
 United Kingdom
 United States

Percentage of crude oil imported: 79% (all by sea routes).
Essential items of transatlantic trade: Grains and other agricultural products from the United States.
Essential items imported from other areas (excluding fuel): Nonfuel minerals (some from Warsaw Pact countries).

Total military personnel in place in Europe: 2,600,000 (excludes French forces—France withdrew its forces from NATO's international commands in 1966 but remains a member of the alliance).

Area: 9 million sq. mi. (U.S.S.R. = 8.7 million sq. mi.).
Population: 369 million (1978); (U.S.S.R. = 261 million).
GNP: \$1.3 trillion (1978).
GNP per capita: \$3,500.
Share of world GNP: 16%.
Share of world trade: 8% (1979).

Chief international economic affiliations: All are members of Council for Mutual Economic Assistance.
Percentage of crude oil imported: 0%.
Essential items imported from other areas: Industrial machinery and technology (largely from NATO countries and Japan), grains.
Total military personnel in place in Europe: 4,000,000.

Members:
 Bulgaria
 Czechoslovakia
 East Germany
 Hungary
 Poland
 Romania
 U.S.S.R.

U.S. Security Assistance, 1950-80

Security assistance is the military and special economic assistance provided by the United States to help other countries maintain their independence and meet defense commitments. Originating in the military portion of the special aid to Greece and Turkey authorized in 1947, the current U.S. program of security assistance comprises chiefly the:

- Foreign military sales financing program (FMS)**—credits and loan guarantees for the purchase of U.S. materiel and services;
- Military assistance program (MAP)**—outright grants for military purchases;

International military education and training program (IMET)—training at U.S. facilities for foreign military personnel (currently from nearly 80 countries); and

Economic support fund (ESF)—grants and loans to bolster the economies of countries of special political or security interest to the United States. Formerly known as security supporting assistance, ESF is administered by the Agency for International Development.

In 1980 security assistance amounted to a small fraction of 1% of the U.S. Federal budget.

Security Assistance: World Totals and Major Recipients, 1950-80

(\$ billions)

ESF	FMS	IMET	MAP
World Total: \$28 billion	World Total: \$22 billion	World Total: \$2 billion	World Total: \$54 billion
Israel 4.0	Israel 12.0	S. Vietnam 0.3	S. Vietnam 14.8
Egypt 4.0	Egypt 1.5	S. Korea 0.2	S. Korea 5.3
S. Korea 2.0	S. Korea 1.2	Turkey 0.1	France 4.0
Turkey 1.0	Greece 1.0	France 0.1	Turkey 3.1
Jordan 0.9	Taiwan 1.0	Thailand 0.1	Taiwan 2.6
	Taiwan 0.5	Iran 0.1	Italy 2.0
	Iran 0.5		
	Spain 0.5		
	Jordan 0.4		
	Brazil 0.3		



FMS loans/grants and MAP grants:

- Received continuously from 1950 (or independence) to 1980
- Initiated or significantly increased, 1978-80
- Major past recipients
- Other past recipients

U.S.-Soviet Strategic Nuclear Forces

The United States and the U.S.S.R. possess long-range, or strategic, nuclear weapons targeted against one another. These weapons include intercontinental ballistic missiles (ICBMs) launched from home bases; submarine-launched ballistic missiles (SLBMs) fired by vessels cruising under the ocean's surface; and long-distance, or heavy, bombers.

U.S. nuclear arms policy is based on a strategy of deterrence. The object is to maintain a credible nuclear capability so that neither the U.S.S.R. nor any other country can use or threaten to use nuclear weapons against the United States and its allies.

The United States and the U.S.S.R. began the Strategic Arms Limitation Talks (SALT) in 1968. The first round of agreements, SALT I, signed in 1972, prohibited nationwide deployment of antiballistic missile systems and placed interim limitations on ICBM and SLBM launchers. The SALT II agreement signed in 1979 has not entered into force.

In a new round of talks to begin when conditions permit, the U.S. aim is not only to limit deployment and development but to reduce the total arsenal of nuclear weapons. Because of this new emphasis, the United States will refer to these negotiations as the Strategic Arms Reduction Talks (START).

Terms

Intercontinental ballistic missile (ICBM) — land-based ballistic (free flight after initial acceleration) missile with a range greater than 5,500 miles.

Submarine-launched ballistic missile (SLBM) — ballistic missile carried by and launched from a submarine.

Antiballistic missile (ABM) — missile designed to intercept strategic ballistic missiles.

Air-to-surface ballistic missile (ASBM) — ballistic missile launched from aircraft against targets on Earth's surface.

Cruise missile — unmanned self-propelled guided vehicle using aerodynamic lift over most of its flight path.

Heavy bomber — long-distance aircraft capable of carrying bombs, ASBMs, or cruise missiles.

Nuclear warhead — explosive system carried on a missile or in a reentry vehicle.

Reentry vehicle (RV) — system carried on a missile which reenters the Earth's atmosphere to strike its target.

Multiple independently targetable reentry vehicle (MIRV) — one of several RVs on a single missile; each can be directed to a separate target.

Strategic Offensive Arms as of June 1979

Weapon System	U.S.	U.S.S.R.
Intercontinental ballistic missiles (ICBMs)	1,054	1,398
ICBMs equipped with multiple independently targeted reentry vehicles (MIRVs)	550	608
Submarine-launched ballistic missiles (SLBMs)	656	950
SLBMs equipped with MIRVs	496	144
Heavy bombers (excluding U.S.S.R. Backfire bombers)	573	156
Heavy bombers equipped for cruise missiles capable of a range in excess of 600 kilometers	3	0

Source: U.S. and Soviet statements (dated June 18, 1979) on the numbers of strategic offensive arms as of June 18, 1979.



Nuclear Nonproliferation

The Nuclear Nonproliferation Treaty (NPT), concluded in 1968 and now signed by 115 countries, is the most important international agreement limiting the spread of nuclear arms. Under its terms, nations party to the treaty that did not possess nuclear weapons at the time the treaty was concluded may not acquire them in the future. While the treaty affirms the right to develop nuclear energy for peaceful purposes, the non-nuclear-weapons states must accept inspection by the International Atomic Energy Agency (IAEA) to insure that nuclear materials are not diverted from peaceful to military uses.

Several countries with nuclear energy programs—Argentina, Brazil, India, Israel, Pakistan, South Africa, and Spain—have not signed the NPT. In 1974 India exploded a nuclear device.

The U.S. Nuclear Nonproliferation Act of 1978 strengthens controls on U.S. nuclear exports by forbidding sale of nuclear equipment and material to any non-nuclear-weapons country that has not accepted IAEA safeguards on all its nuclear power activities.

Other international agreements limiting nuclear explosions and deploy-

ment of nuclear arms are the 1963 Limited Test Ban Treaty and the treaties banning nuclear weapons in the Antarctic (1963), outer space (1967), and the seabed (1971). Nuclear arms were first prohibited in inhabited areas by the 1967 treaty to create a Latin American nuclear-free zone (which includes Puerto Rico, the U.S. Virgin Islands, and the Guantanamo Naval Base).

Active nuclear energy programs outside the industrial democracies, Soviet-bloc countries, and China are found in Argentina, Brazil, Chile, Egypt, India, Iraq, Israel, South Korea, Pakistan, and South Africa.



Countries that have:

- Exploded an atomic device (date under country name is year of first explosion)
- Not signed Nonproliferation Treaty
- Nuclear programs not under full-scope safeguards (excl. those with acknowledged arsenals)

Soviet and Soviet-bloc Military Presence Abroad

Soviet strategy goes beyond the Warsaw Pact and the nuclear balance with the United States. Through surface fleets operating in distant waters, military sales, foreign aid (supplemented by other Soviet-bloc members), and direct intervention (by its own troops and those of its allies), the U.S.S.R. has established a global presence. Aid provided to countries such as Angola, Ethiopia, and Mozambique is chiefly military, while in other countries economic cooperation has produced military advantages. Soviet military flights en

route to Angola in 1975 made stopovers in Mali and Guinea. And Soviet warships are now able to use Soviet-built docking facilities in Guinea and Iraq. Soviet-bloc military technicians service or provide training in the use of Soviet-bloc weapons. In Angola, Ethiopia, Madagascar, Mozambique, Nicaragua, and Yemen (Aden), Soviet-bloc military personnel provide general training for the military forces and secret police.

Chief Concentrations of Soviet-bloc Military Technicians and Advisers, March 1982

	Number	Chief Supplying Country	Soviet-bloc Presence	Country	Troop Strength, Mar. 1982	Present Since
Afghanistan	3-3,500	U.S.S.R.	U.S.S.R.	Afghanistan	100,000	1979
Algeria	2-3,000	U.S.S.R.				
Ethiopia	7-8,000	Cuba				
Libya	2,000	U.S.S.R.	Cuba	Angola Ethiopia	15-20,000 7-9,000	1975 1977
Nicaragua	1,000	Cuba				
Syria	2,000	U.S.S.R.	Vietnam	Kampuchea	180,000	1978
Yemen (Aden)	1,500	U.S.S.R.				



- U.S.S.R. and allies
- Soviet-bloc military occupation
- Cuban combat units
- More than 1,000 Soviet-bloc military technicians
- Fewer than 1,000 Soviet-bloc military technicians
- Soviet airbases
- Soviet air-reconnaissance facilities

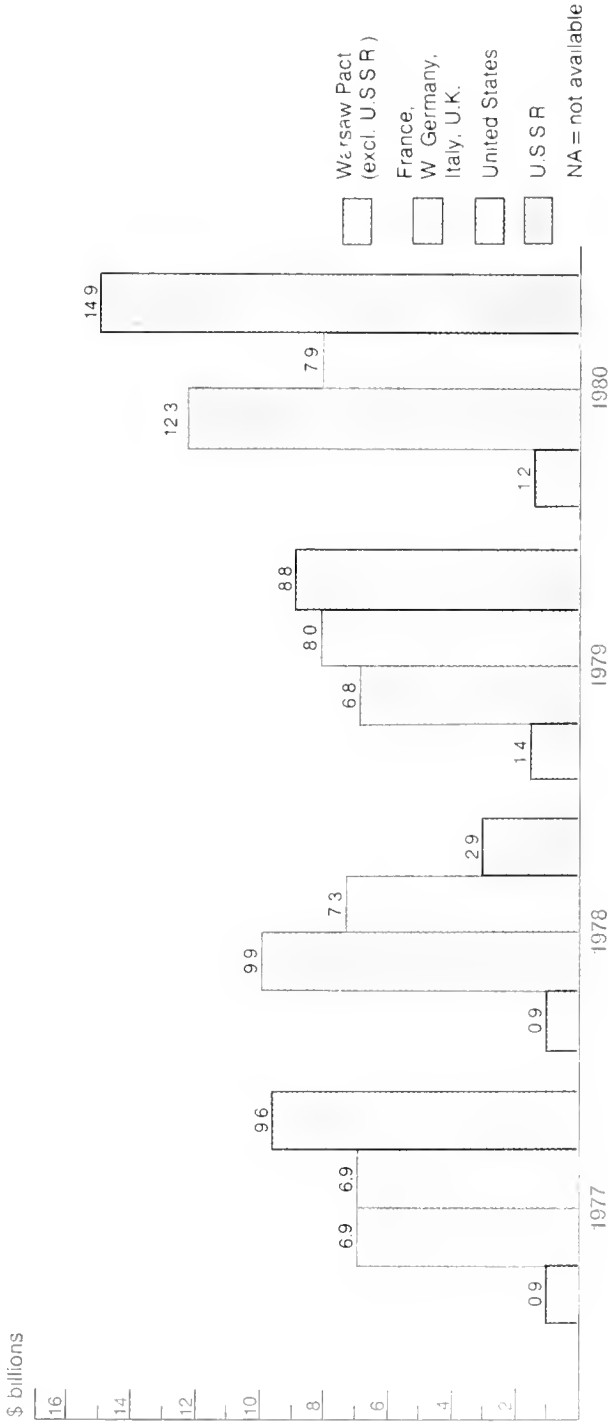
The sale of weapons and other military equipment to developing countries can have important political and economic consequences. New equipment introduced into one country can upset the regional balance of power and open up channels of influence to the supplying country. Military technicians sent to service or train personnel in the use of new and sophisticated equipment often create a large foreign presence.

Using Czechoslovakia as an intermediary, the U.S.S.R. concluded its first arms deal with a developing country outside the Soviet bloc (Egypt) in 1955. Since then it has become the largest military supplier to the Third World, and most of its shipments consist of lethal weapons. While over 40 developing countries acquired some Soviet arms in 1980, sales were concentrated in the Middle East and North Africa (Algeria, Iraq, Libya, and Syria). Other major purchasers of Soviet arms in the late 1970s were Ethiopia and India.

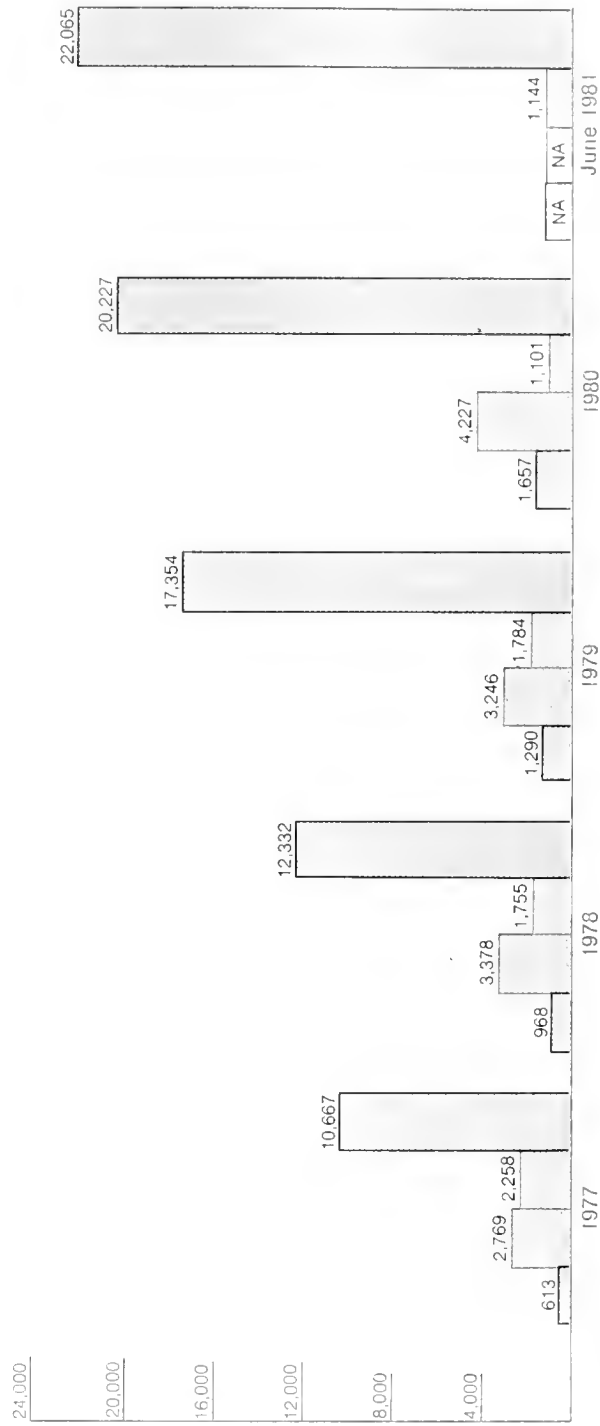
U.S. foreign arms sales are subject to government approval. Sales may be approved if, after considering all factors, the government is satisfied that the transaction will serve American security interests. Chief Third World purchasers of U.S. equipment in the period from 1978 to mid-1981 were Egypt, South Korea, and Saudi Arabia. Israel was also a major purchaser. The figures for U.S. arms sales, unlike those for other countries, include military construction, training, and nonlethal equipment as well as weapons.

Sources: Arms sales—ACDA, *World Military Expenditures and Arms Transfers, 1968-1977*; other ACDA data; Military technicians—Department of Defense

Arms Sales to Developing Countries, 1977-80



Military Technicians on Extended Tours Abroad, 1977-81



Military Balance in the Persian Gulf

The Persian Gulf region produces nearly 34% of the world's crude oil and possesses over 60% of the world's proven oil reserves. The area supplies over 30% of U.S. oil imports, 70% of Western European, and nearly 80% of the Japanese. Hence the importance to the United States of equal access to the region's oil and of secure tanker routes to the Atlantic and the Pacific.

The United States and the U.S.S.R. are the chief naval powers in the area. The United Kingdom, long the area's

dominant foreign power, has reduced its presence to token forces. France maintains about 20 ships based on Djibouti and on Reunion (not shown on map). The U.S. Navy established a three-ship Middle East Force at Bahrain in 1949 and acquired access to British facilities at Diego Garcia in 1966. These forces were raised to their present strength in 1980 after the Iranian revolution.

Soviet warships have been present in the Indian Ocean continuously since 1968. In 1974 the U.S.S.R. acquired air and naval rights at Berbera on the Somali coast. Although Somalia revoked

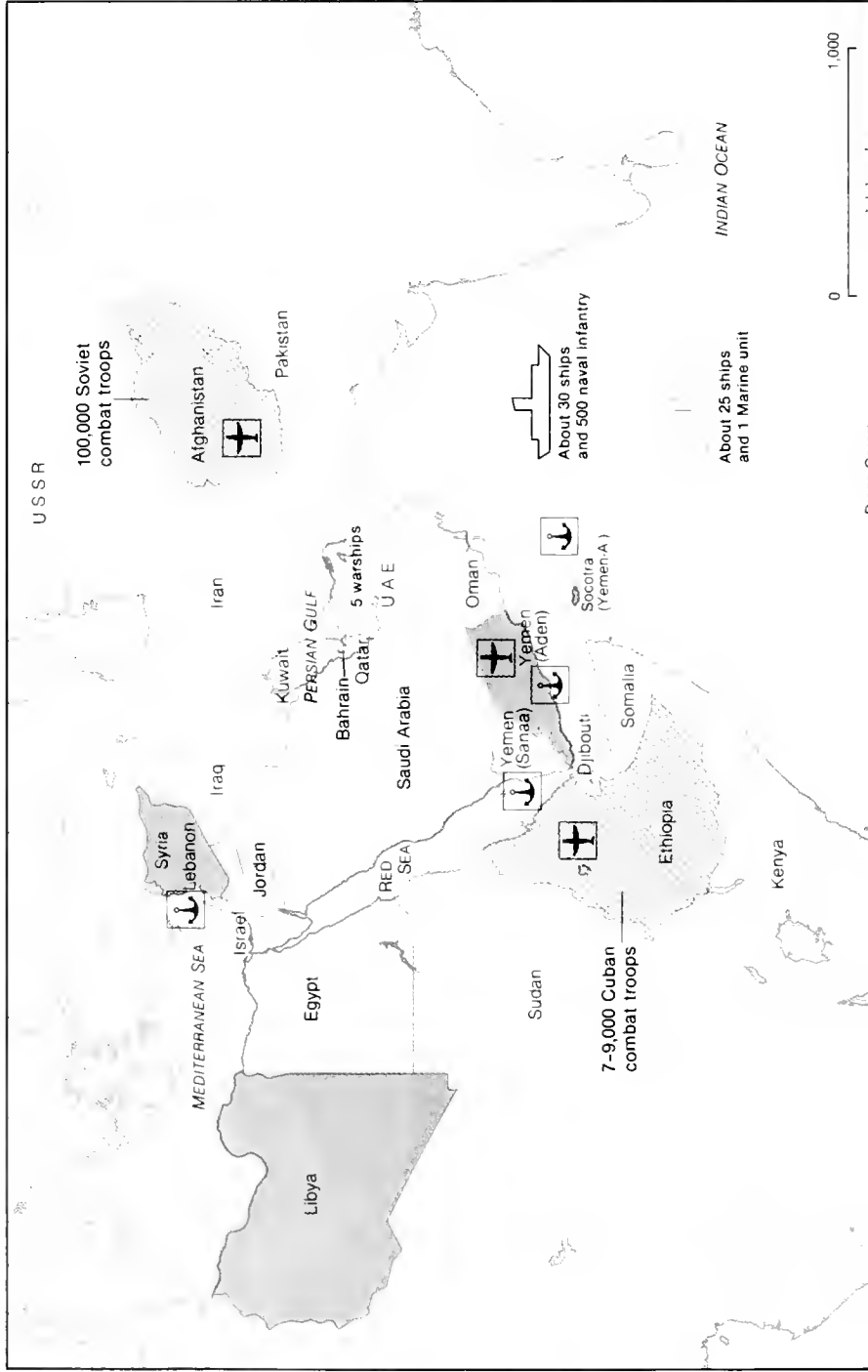
these rights in 1977, the Governments of Ethiopia and Yemen (Aden) have given the U.S.S.R. access to other naval and air facilities at the approaches to the Red Sea. Soviet warships also have access to ports in Iraq as well as the Syrian Mediterranean Port of Latakia.

Population and Armed Forces*

(thousands of persons)

	Population	Armed Forces
Bahrain	400	3
Egypt	43,000	367
Ethiopia	30,000	230
Iran	40,000	195
Iraq	14,000	250
Israel	4,000	172
Jordan	3,000	67
Kenya	17,000	15
Kuwait	1,300	12
Lebanon	3,000	24
Libya	3,000	55
Oman	930	12
Pakistan	89,000	450
Qatar	230	10
Saudi Arabia	8,600	52
Somalia	6,000	63
Sudan	19,000	71
Syria	9,000	325
United Arab Emirates	950	42
Yemen (Aden)	2,000	24
Yemen (Sanaa)	5,000	32

* Figures for armed forces do not always indicate total available manpower. For example, the Israeli system of universal military service permits rapid expansion of forces in the event of war.



0 1,000

World military expenditures have steadily increased since World War II. But in the 1970s, the rate of increase was about one-third the increase in the gross national product (GNP)—indicating that a smaller share of total resources is now being devoted to military purposes.

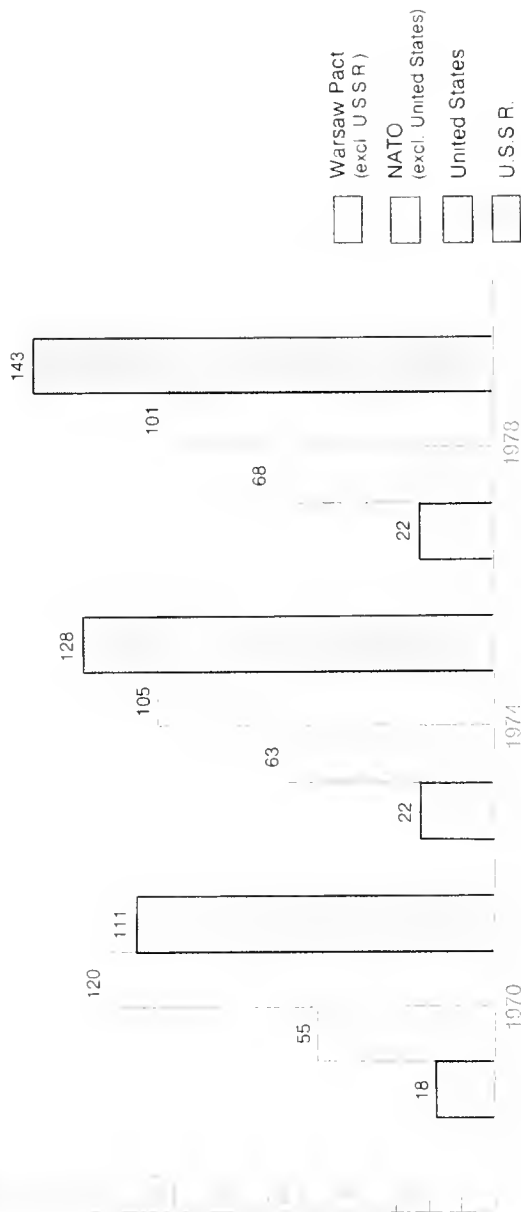
The relation of military expenditures to the GNP is an indication of the military burden on the national economy. Generally the military share of the GNP is lower in developed market economies (including all NATO members and Japan) than in the developed centrally planned economies and in many developing countries.

NATO follows the principle of burden-sharing—each member should contribute a fair share of the costs of common defense. Besides the member's military budget, NATO considers its economic needs and resources and nonmilitary contributions to Western security, such as foreign aid.

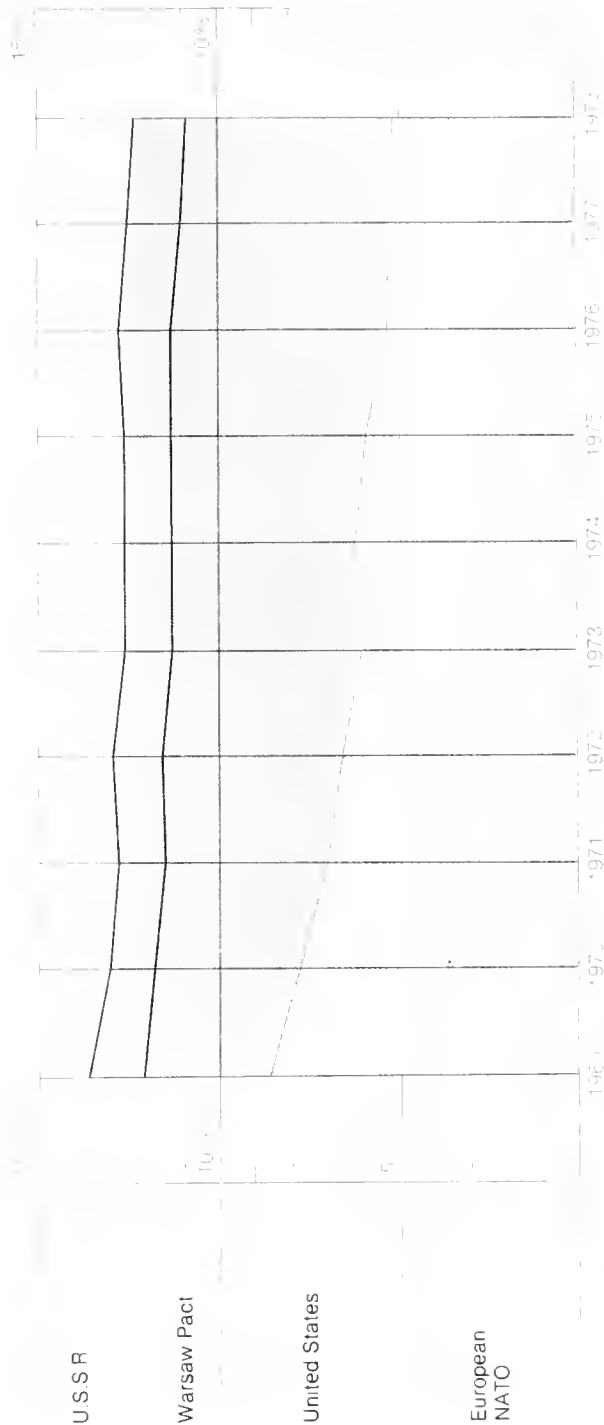
In 1978, in response to the military buildup in Eastern Europe, NATO agreed that each member should attempt to increase its defense spending by 3% annually from 1979 to 1984 (later extended to 1986).

Source: ACDA, *World Military Expenditures and Arms Transfers, 1969-1978* (1980)

Military Expenditures in the 1970s



Military Expenditures, 1969-78 (% of GNP)



Milestones of U.S. National Security Policy Since World War II

1945

United Nations established to promote international economic progress and maintain peace and security.

1947

Truman Doctrine asserted U.S. policy of containing Soviet expansion through economic and military aid to threatened countries.

National Security Act created the National Military Establishment and the National Security Council headed by the President with the Vice President and Secretaries of State and Defense as permanent members.

Inter-American Treaty of Reciprocal Assistance committed United States and Latin American republics to common defense against aggression in Western Hemisphere.

1949

North Atlantic Treaty Organization (NATO) joined the United States, Canada, and 10 (later 13) European countries in an alliance for common defense of Western Europe and North America.

Mutual Defense Assistance Act unified U.S. military aid programs and inaugurated military aid to North Atlantic partners.

1961

U.S. Arms Control and Disarmament Agency established under Secretary of State to formulate arms control policy and manage participation in disarmament talks.

1962

Organization of American States declared that Cuba, through association with nonhemispheric Communist powers, had placed itself outside inter-American system.

Under threat of U.S. interdiction, U.S.S.R. withdrew offensive weapons being installed in Cuba.

1963

Washington-Moscow direct communication link ("hot line") established.

Limited Nuclear Test Ban Treaty banned explosions in the atmosphere, in outer space, and underwater.

1964

Tonkin Gulf Resolution (repealed 1970): Congress authorized President to take all necessary steps to help any member or protocol state of Southeast Asia Collective Defense Treaty requesting assistance in defense of its freedom—basis for intensified military support of South Vietnam.

1965

House resolution declared that Communist intervention in Western Hemisphere violated Monroe Doctrine and principles of hemispheric solidarity.

1968

Nonproliferation Treaty, now signed by 115 governments, banned spread of atomic weapons.

1969

Nixon Doctrine reaffirmed U.S. commitment to economic and military assistance while calling for "more responsible participation of our foreign friends in their own defense and progress."

1972

Strategic Arms Limitation Talks (SALT) agreements with U.S.S.R. set limitations on defensive and offensive nuclear weapons and established strategic arms negotiations as continuing process.

1973

Paris agreement provided for withdrawal of U.S. troops from Vietnam.

1975

Helsinki Final Act of Conference on Security and Cooperation in Europe enfolded United States, Canada, and 33 Eastern and Western European countries to respect state sovereignty and civil rights and enlarge East-West contacts.

1979

Israel-Egypt Peace Treaty, facilitated by U.S. Middle East consultations in 1974-75, ended 30 years of conflict between the two countries and provided possible framework for comprehensive peace in Middle East.

the provisions of the U.N. Charter regarding the international use of force.

When that view is explained to Soviet representatives, they sometimes respond that we are asking them to give up a foreign policy "rooted in their nature as a society and a state." To that claim, the United States replies that we recognize the right of the Soviet Union to preach the creed of communism at will and in perfect freedom. No democracy could ever consider a different position. What we cannot accept—what the state system cannot tolerate—is the thesis that the Soviet Union has special—and exclusive—right to spread its faith by the sword. No U.N. body, no scholar in any country has been able to reconcile this basic Soviet position with the charter or with the corpus of international customary law on which the charter is based. No state can accept a doctrine which would authorize its neighbors to send armies or armed bands across its frontiers or to send arms to those who would challenge its authority. The Soviet doctrine is an attempt to square the circle. It has failed as a theory. And in practice it stands revealed as incompatible with the necessary conditions for cooperation in the international society of states.

The leaders of the Soviet Union may imagine that they have made great progress toward their goal of dominion. But that belief is an illusion. At enormous cost, the Soviet Union has made significant tactical gains during the last three decades in its quest for empire. But the Soviet effort has transformed its strategic position. It has called into being a vast coalition of nations determined to retain their freedom. It is clear that the Soviet Union can never achieve its purpose, even through war.

The moral of this tragic chapter in 20th century history is clear, and we stress it now while there is time to change course and return to the way of peace.

The highest national interest of the United States in world politics is a system of peace in which all the nations respect the rules of the charter regarding the international use of force. All the other ambitions of our foreign policy—economic stability and progress; the vindication of human rights; the advance of literacy, of education, and of culture; and the encouragement of progressive peaceful change—depend in the end on

the achievement and maintenance of peace in that sense.

It is our view that the achievement of a system of peace is equally the highest national interest of every other state. Indeed, through the charter, every state has solemnly promised every other state that peace in this sense is its highest national interest. It should now be obvious—in the phrase of the Soviet former Foreign Minister Maxim Litvinov—that peace is indivisible. The dynamics of war permit no sanctuaries. As President Reagan has said, the world cannot justify or tolerate a double standard with regard to the international use of force. All must obey the same rules. In the words of Secretary Haig, "the rules of the charter governing the international use of force will lose all their influence on the behavior of nations if the Soviet Union continues its aggressive course."

We hope that this session of the Committee on Disarmament will make a powerful contribution to the cause of peace by calling on the members of the United Nations to rededicate themselves to a policy of strict and unwavering respect for the rule of Article 2(4). The discussion of the problem here, and the pursuit of that discussion at the forthcoming Second Special Session on Disarmament (SSOD) should help to

The highest national interest of the United States in world politics is a system of peace in which all the nations respect the rules of the [U.N.] charter regarding the international use of force.

crystallize a new state of public opinion throughout the world—a state of public opinion which could compel all nations to accept the vision which dominated the conference at San Francisco where the charter was approved in 1945, in the shadow of an appalling war.

The significance of what we propose

here is brought out by the pattern of Soviet policy in Poland.

It has been clear for several years that, except for a thin layer of party and state officials in Poland, the Polish people have been seeking a new order of things in its homeland—an order characterized by freedom and pluralism in every aspect of the life of the nation. Above all, the Polish people have made it clear that the spirit which sustained the Polish nation between 1792 and 1918 is still unconquerable.

Poland and the other countries of Eastern Europe were promised a free choice by the three victorious Allies who met a generation ago at Yalta and Potsdam. President Kennedy said on a famous occasion that "our two peoples, which now live in danger" would not be able to live in peace until the Soviet promise of free choice in Eastern Europe was kept.

But the promises of Yalta and Potsdam for Eastern Europe have not been kept. Those promises of themselves transform the crisis in Poland into a matter of deep and legitimate international concern, especially since the other terms of the postwar understanding have also eroded.

There is another and even more basic international dimension to the crisis in Poland. The military *coup d'état* in Poland and the imposition of martial law by the military dictator of Poland were acts done with Soviet complicity and participation, under the compelling threat that if the Polish armed forces did not act, the Soviet Union would do so itself. This is a threat and use of force in violation of Article 2(4) of the charter, a flagrant breach of the peace in one of the most sensitive and important strategic areas of world politics.

Finally, the United States and its NATO allies have stressed that events in Poland violate the Final Act of the Conference on Security and Cooperation in Europe (CSCE), which was signed at Helsinki in 1975. The assurances and the hopes embodied in that document give further ground for the conviction that what is happening in Poland is not a purely domestic problem.

It has been the objective of the United States in the Polish crisis not only to stress the gravity of what is happening but to offer the Soviet Union a peaceful and constructive way to reconcile its security concerns with the legitimate demands of the Polish people. The state system as it developed after 1945 must accommodate itself to

peaceful change. If it fails to bend, it will surely break. Therefore, President Reagan, in his statement of December 23, 1981, offered the cooperation of the United States in large-scale programs for effective action that would restore the vitality of the Polish economy, without in any way threatening the legitimate security interests of the Soviet Union. He recalled the American offer of the Marshall plan in the late 1940s, an offer which Poland first accepted and then was forced to reject. At the same time, President Reagan warned against steps that could let slip the dogs of war. No man can foresee or control the consequence of such developments.

The United States has high hopes for a fair and reasonable outcome of the crisis in Poland. Such a turn in Soviet policy could make many other agreements possible and help prepare the way for a genuine improvement in the climate of world politics and the fabric of the international community.

Negotiation of Fair and Balanced Agreements

One of the principal means on which we rely to achieve that goal is the negotiation of fair and balanced agreements for the reduction of nuclear arms, and particularly of offensive nuclear arms. Our policy in such talks, as President Reagan made clear in his speech of November 18, 1981, is to propose whatever reductions are necessary to achieve for each side the equal capacity to deter nuclear war. The policy of equal deterrence would deny to either side the capacity to use or to brandish nuclear weapons as an instrument of aggression or political coercion. Measuring deterrence and distinguishing retaliatory weapons from those capable of use as weapons of aggression are complex problems. With good will, they can be solved.

U.S. policy with respect to nuclear weapons currently includes several different elements. With respect to intermediate range land-based nuclear missiles, negotiations have begun in a constructive atmosphere, and consideration is being given to President Reagan's proposal to abolish all such weapon systems, wherever located.

American arms control policy is by no means limited to this aspect of the problem. In his speech of November 18, President Reagan also proposed the early resumption of Soviet-American negotiations on the reduction of

Nuclear Freeze

by *Richard R. Burt*

The following statement was read to news correspondents by Department spokesman Dean Fischer on March 11, 1982, on behalf of Mr. Burt, Director of the Bureau of Politico-Military Affairs.

I would like to make a brief statement with respect to the nuclear freeze resolution which was introduced in the Senate yesterday.

The President and his entire Administration share the concern felt throughout the world over the danger that nuclear weapons pose for mankind. That is why, in his speech of November 18, the President proposed a far-reaching arms control program for seeking equitable and verifiable agreements, which will not just freeze current nuclear and conventional forces but actually significantly reduce them.

In Geneva the United States is now negotiating with the Soviet Union on the basis of the President's bold proposal of November 18, which calls for the elimination of the Soviet nuclear systems most threatening Europe in exchange for cancellation of scheduled NATO deployments of comparable intermediate-range land-based nuclear missiles.

While we understand the spirit that motivates the freeze efforts, the Administration cannot support the freeze itself. A number of compelling facts argue against a freeze.

- It would freeze the United States into a position of military disadvantage and dangerous vulnerability. Soviet

intercontinental-range missiles, the revitalization of the negotiations on mutual and balanced force reductions, and a vigorous attack on the problem of measures for reducing the risk of surprise attack and the chance of war arising out of uncertainty or miscalculation. All these proposals, the President said, are based "on the same fair-minded principles: substantial, militarily significant reduction in forces; equal ceilings for similar types of forces; and adequate provisions for verification."

defense investments have far outpaced ours over the last decade. While we exercised substantial restraint, the Soviets' across-the-board modernization efforts have produced new weapons, including new generations of intercontinental ballistic missiles directly threatening our nuclear deterrent. In Europe, Soviet deployments of new intermediate-range missiles have given the Soviet Union an overwhelming advantage over the West in this category of weapons.

- We want verifiable agreements that go beyond freezes to produce real reductions. The freeze proposal, which is neither verifiable nor reduces weapons, is not only bad defense but, as Secretary Haig said yesterday, is bad arms control as well.

- The President needs the strategic modernization program if we are to have a credible chance to negotiate a good strategic arms reduction agreement with the Soviets. The freeze would, of course, kill the modernization program and with it our chances for achieving the reductions that we all seek.

- We have embarked on very important negotiations on intermediate-range nuclear forces with the Soviet Union in Geneva—negotiations in which the United States is seeking far more than a freeze. Our goal in Geneva is the total elimination of land-based intermediate-range missiles. Thus the United States and the NATO alliance must have the flexibility to continue with the two-track approach that NATO agreed to in 1979. The freeze proposal would concede to the Soviet Union its present advantage in intermediate-range nuclear missiles and eliminate any Soviet incentive to reach a fair and balanced agreement that would reduce nuclear weapons in Europe. ■

This then is the policy framework within which the United States is working toward arms control. I can assure you that the United States will play its full part in devising solutions for these problems if the Soviet Union, by adopting policies of restraint, makes it possible for the full range of arms control negotiations and other cooperative activities in this field to continue.

These basic pillars of U.S. arms control policy are fundamental to the issues on which this committee has focused much of its attention since its establishment. Foremost among these has been

the question of a comprehensive ban on the testing of nuclear weapons. In the many discussions of this problem here, the ultimate desirability of a test ban has not been at issue, but unanimity has been lacking on questions of approach and timing.

The U.S. Government has reviewed the question of nuclear testing in the context of its impact not only on arms control efforts but also on the need to maintain the stability of the nuclear balance, bearing in mind in particular the importance of achieving effective verification measures and insuring compliance with any agreed restrictions. It is clear that any consideration of a complete cessation of nuclear explosions must be related to the ability of the Western nations to maintain credible deterrent forces. It is equally clear that a test ban cannot of itself end the threat posed by nuclear weapons. Limitations on testing must necessarily be considered within the broad range of nuclear issues. Direct means for achieving progress toward the elimination of the nuclear menace are the restoration of Article 2(4) of the U.N. Charter as a reality in world politics, the negotiation of significant reductions in nuclear weapons, and the eventual elimination of the weapons themselves. Thus, while a comprehensive ban on nuclear testing remains an element in the full range of long-term U.S. arms control objectives, we do not believe that, under present circumstances, a comprehensive test ban could help to reduce the threat of nuclear weapons or to maintain the stability of the nuclear balance. The United States fully shares the keen concern of members of this committee to move forward rapidly in the effort to remove the burden of nuclear weapons from world politics. The United States will work constructively with the committee in its efforts to achieve this end.

In the area of chemical weapons, the Committee on Disarmament has already done useful work, and the United States commends the chairmen of previous chemical-weapons working groups and the delegations that have participated so effectively in this effort. President Reagan has reaffirmed U.S. support for efforts to achieve a complete and verifiable ban on chemical weapons and has directed U.S. representatives to participate actively in this important quest. The United States believes that the Committee on Disarmament is the appropriate forum for work toward a chemical weapons convention. It is the

intention of the United States to concentrate its efforts toward the elaboration of a convention banning chemical weapons in this committee. We believe the working group has successfully completed the bulk of its initial task and, in so doing, has identified important areas of agreement and disagreement. The next step is to see if it is possible to harmonize views on the major elements of an eventual agreement. Such a step is a prerequisite to the achievement of our ultimate objective, and the U.S. delegation, therefore, will support a revised mandate for the working group that will allow it to undertake this essential task.

It is no secret that views diverge widely on the subject of verifying compliance with arms control agreements. The United States believes that the chemical weapons working group should devote particular attention to verification and compliance issues, from both a political and a technical standpoint. I urge the members of the working group to apply their expertise and imagination to finding ways to overcome the many complex problems which face us in this area. One such problem is that of undeclared stocks and undeclared chemical weapons production, filling, and storage facilities.

Further, when the chemical weapons experts meet, I urge that, in addition to continuing their work on toxicity stand-

the work of the group of scientific experts, whose efforts thus far have been pointed toward the international exchange of seismic data. As you are aware, the United States has been an active participant in all the activities of this group. We want this work to continue for as long as useful results are being produced, and we intend fully to support its ongoing efforts. We are aware of the interest which has been expressed by other delegations in an enlarged mandate for the group, one that would enable it to address the possibility of exchanging data on nuclear explosions and on certain other unusual events occurring in the atmosphere. We have also examined this possibility and want to share our views informally with other delegations. The idea here is to increase the ability of the group of scientific experts to make a useful contribution to improving our verification capabilities.

At the last session of the General Assembly, the question of controlling arms in outer space was the subject of a lively debate which resulted in the adoption of two resolutions, both of which put the problem on the agenda of this committee. The United States believes that is an appropriate step. This is a difficult, complex issue that cannot be separated from broader arms control issues. Because of the magnitude of the

. . . We do not believe that, under present circumstances, a comprehensive test ban could help to reduce the threat of nuclear weapons or to maintain the stability of the nuclear balance.

ards, they be asked to examine promising technical methods for monitoring the shutdown of chemical weapons production and filling facilities. In this manner, the committee can make use of our collective expertise to try to surmount a major hurdle relating to the verification of an eventual agreement. It is the conviction of the United States that in this, as in other areas, the problem of verifying compliance with arms control agreements requires active cooperation among the signatories and not reliance on national means alone.

While I am on the subject of expert groups, I should dwell for a moment on

problems involved, we cannot expect immediate progress in this area. The problem is one that we believe must be approached with extreme care. Its ramifications are legion; so are the pitfalls. Too quick a plunge without adequate prior reflection could be fatal to our objective of achieving a stable environment in outer space. At this stage, the United States is prepared to discuss the issue in a general way in informal meetings of the committee where various points of view and proposals can

be thoroughly vented before any further steps are taken.

I have not yet mentioned three items that have been on the committee's agenda in the past and which await final action. I refer to the draft radiological weapons treaty, the question of effective arrangements to assure non-nuclear-weapon states that nuclear weapons will not be used against them, and the development of a comprehensive program for disarmament. The United States would like to see the radiological weapons treaty completed soon. As we have said many times before, it would not be a major step toward putting the nuclear genie back in the bottle, but it would be a step and anything we can do in this area should surely be done. More delay can only mean more difficulty in achieving ultimate agreement on this treaty.

In connection with another issue which has been under active consideration by the committee during its past three sessions—that of the so-called negative security assurances—I reaffirm the unilateral assurance given by the United States at the time of the first U.N. Special Session on Disarmament in 1978. As we said at that time:

The United States will not use nuclear weapons against any non-nuclear-weapon state party to the NPT [Nonproliferation Treaty] or any comparable internationally binding commitment not to acquire nuclear explosive devices, except in the case of an attack on the United States, its territories or armed forces, or its allies, by such a state allied to a nuclear-weapon state or associated with a nuclear-weapon state in carrying out or sustaining the attack.

The United States stands by this statement as a reliable and firm assurance. We have participated, nonetheless, and are willing to continue to participate in the working group which deals with this issue and would join a consensus to reestablish the group. The United States believes that development of a common assurance, as has been suggested, would be extremely difficult, although we are not opposed to this concept.

The committee's task of developing a comprehensive program of disarmament was mandated by the First Special Session on disarmament. It is extremely important. We support this effort and will continue to work constructively toward enunciation of a meaningful program to be presented to the Second Special Session. The United States believes that to

achieve the necessary consensus, such a program must be realistic and must reflect the security needs of all states. It should provide guidelines for the actions of states, with an overall goal of promoting world stability and peace.

Compliance With Treaties

Both the increased complexity of modern weapons and the turbulent condition of world politics have highlighted the special importance of compliance with treaties as a factor among the responsibilities of this committee. Trust is an essential ingredient of the condition of peace. Montesquieu spoke of peace as a state of tranquility in which no man need fear his neighbor. Alas,

Status of the INF Negotiations

Following is a statement made on March 18, 1982, by Ambassador Paul H. Nitze, head of the U.S. delegation to the intermediate-range nuclear force (INF) negotiations being held in Geneva.

I left London this morning. Yesterday in Brussels I fully briefed our NATO partners on the progress of the Geneva talks on limiting intermediate-range nuclear missiles. The talks have been intense, serious, and businesslike. We have covered at length all the important and difficult issues between us. I have agreed with Ambassador [Yuli A.] Kvitsinskiy, the head of the Soviet delegation, to maintain the confidentiality of the exchanges between us. I can say, however, that I have had the opportunity fully to present the case for the draft treaty which we presented on February 2, which would implement the President's proposal for zero on our side and zero on theirs, with respect to those missiles which are of greatest concern to both sides.

I would like to make one closing comment. I hope that those here at home who are considering various nuclear freeze proposals take fully into account the effect that their proposals, if adopted, would have on our negotiations. If the U.S. deployment of intermediate-range missiles is frozen, there will be no incentive for the Soviet Union to give up theirs; they have virtually completed their planned deployment in Europe of such missiles. ■

that criterion is not satisfied today in many parts of the world. None of the neighbors of the Soviet Union can say that it feels comfortable about the inviolability of its borders. And more generally, the expansionist policy of the Soviet Union radiates anxiety far beyond the states in its immediate neighborhood—to other states which fear the fate of Afghanistan, Poland, Czechoslovakia, Hungary, Romania, the German Democratic Republic, or Bulgaria. Troubling questions have arisen about Soviet compliance with international agreements concerning chemical and biological warfare. Those questions affect every state in the world community. And they cast a shadow over the possibility of verifying Soviet compliance with treaties on the control of other arms, particularly nuclear arms.

In 1967, the International Committee of the Red Cross published disturbing evidence about the use of Soviet chemical weapons in Yemen. Now, initial circumstantial evidence that lethal chemical weapons have been used in Laos, Kampuchea, and Afghanistan has been confirmed by new evidence from Southeast Asia—evidence of the use of prohibited lethal mycotoxins, which are particularly cruel and inhumane weapons of war. The production and use of such weapons raises most serious questions about compliance with existing international constraints on such activities, including the Biological and Toxin Weapons Convention of 1972 and the 1925 Geneva protocol—to both of which the Soviet Union is a party—and demonstrates the necessity of further consideration of the adequacy of applicable verification and compliance provisions.

It is vital that all countries concerned cooperate to the fullest extent with the work of the U.N. group of experts investigating the matter. It will not suffice simply to call attention to the problems. We deserve answers. The 1979 anthrax outbreak in Sverdlovsk has never been satisfactorily explained. The Soviet Union and its friends and allies have vehemently denied that the Soviet Union is engaged in any way in the use of toxins or other chemical weapons. But it remains altogether unwilling to discuss these matters in detail or to offer the kind of cooperation that might alleviate the legitimate concerns of the world community. Soviet behavior in the face of such inquiries has simply deepened the suspicions and anxiety of all persons of good will. This is a fact of

ASEAN-U.S. Dialogue

The fourth ministerial meeting of the United States and the Association of South East Asian Nations (ASEAN) was held in Washington, D.C., at the Department of State, March 9-11, 1982. Following are welcoming remarks made by Deputy Secretary Walter J. Stoessel, Jr., on March 9, and the text of the joint press statement issued on March 11.

DEPUTY SECRETARY STOESEL

I am delighted to welcome you to the fourth ASEAN-U.S. dialogue. It is especially gratifying for me to meet with representatives of a regional group which has achieved an unqualified success in bringing progress, stability, and international prestige to its member countries. The cooperation which your nations have attained in the economic and political fields, both among yourselves as well as with the rest of the world, is a glistening example for the rest of us.

I am particularly proud of the close partnership which my country has established with ASEAN. It is a model for the way in which nations can work together on common problems for the common benefit. I can assure you that this Administration is determined to continue the high level of cooperation, friendship, and openness which has been established with the ASEAN states; to listen carefully to your concerns; and to respond positively to the very best of our ability.

The meeting which begins today is part of a diverse and constructive U.S.-ASEAN interaction which has been crucial to our mutual efforts to deal with many difficult issues. The process has taken place through the formal dialogue meetings, through participation by Secretaries of State in post-ASEAN ministerial consultations with dialogue partners, through the ASEAN Washington committee, and through frequent get togethers on many subjects. This fruitful day-by-day exchange truly demonstrates, as Philippine Foreign Minister [Carlos P.] Romulo stated at the last dialogue meeting that ASEAN and the United States share long-range concerns for the continued stability and sustained growth of the ASEAN region.

Dialogue Accomplishments

The dialogue process has helped ASEAN achieve some very impressive accomplishments.

First, and particularly impressive, is ASEAN's resolute effort to achieve a peaceful solution to the tragic situation in Vietnam-occupied Kampuchea, which the United States has strongly supported and will continue to support. ASEAN's effectiveness in marshalling international support for its position, and in keeping the pressure on Vietnam to agree to a negotiated settlement which allows the Cambodian people self-determination under U.N.-supervised elections, has provided conclusive evidence of the strength, diplomatic skill, and maturity of the ASEAN nations.

Another impressive accomplishment facilitated by the dialogue process has been the successful effort to deal, in humanitarian fashion, with the inundation of Indochina refugees, which only 3 years ago posed a severe crisis for ASEAN. ASEAN efforts, including establishment of regional processing centers and cooperation with the international community on refugee relief and resettlement, have converted this into a manageable, though still difficult, problem. It is doubtful that this could have been accomplished without the existence of ASEAN and the dialogue process. The United States is continuing to support ASEAN and to live up to its humanitarian obligations by accepting large numbers of Southeast Asian refugees for resettlement.

The dialogue process has brought about concrete and practical improvements in economic and commercial relations between ASEAN and the United States. The second dialogue meeting in 1978 contributed to the U.S. decision to support negotiation of the common fund. The United States signed the resulting agreement and is prepared to take further steps toward ratification provided that commodity agreements decide to associate with the fund. The United States also signed the International Rubber Agreement and played a central role in the establishment of its headquarters in Malaysia, an important ASEAN goal. We have cooperated in an ASEAN development program, which addresses crucial regional problems by

particular importance to the work of the Committee on Disarmament.

It is essential, therefore, that the verification of compliance with arms control treaties be made a central feature of our work program here. Until the nations agree on the principle of far-reaching international cooperation in monitoring and enforcing compliance with such agreements, arms control and disarmament cannot begin to achieve their full potential as programs of peace. The Soviet Union has recently stated that, while it continued to rely primarily on national means of verification of compliance with arms control treaties, it was willing to accept cooperative means of verification where circumstances make such procedures necessary and desirable. The United States welcomes this assurance. And it recalls the fact that in 1947, the Soviet Union made a far more comprehensive statement of its readiness to accept inspection and other cooperative means of verification in the interest of arms control during the consideration of the U.S. proposal for the international control of nuclear energy, known as the Baruch plan. The volatility and fragility of the international atmosphere make it essential that the Soviet Union go beyond President Brezhnev's statement of November 23, 1981, to Foreign Minister Gromyko's earlier and more ample offer.

Thus far, I have alluded only in passing to the Second SSOD. That is because in many respects its shape and the nature of its contribution to our common endeavors cannot yet be clearly foreseen. In no small part, what happens in New York in June will depend upon what happens here between now and then. The committee's work on the comprehensive program of disarmament will be a major input. In that effort, the United States wishes to play an active and energetic role. But, obviously, all does not rest on what we do here. Much will depend on whether the behavior of states conforms to their professed goals and intentions. The work of the second special session will be particularly sensitive to this factor. Let us hope that, to the extent we can influence events, this committee will contribute to a special session which should be marked by a realistic appreciation of the role of arms limitations in the effort to maintain peace and security for all mankind. ■

sharing our technology and experience. These programs are moving forward at a good pace. We intend to build on these programs to further advance ASEAN regional development.

Trade

In the trade field, ASEAN has been given status as a regional association eligible for cumulative treatment under GSP [Generalized System of Preferences] rules of origin, and Indonesia has become eligible for GSP. ASEAN is a major beneficiary of this program and is showing an expanding ability to make use of GSP concessions. We have been able to discuss GATT [General Agreement on Tariffs and Trade] and other trade issues with creativity and candor because of the relationship built up through the dialogue.

This Administration is particularly conscious of the importance of the private business sector to development and mutually beneficial commerce. The ASEAN-U.S. Business Council, which has arisen out of the dialogue process, is proving to be one of its most important accomplishments in terms of long-run economic progress and increased trade and investment. President Reagan strongly believes in the effectiveness of the private enterprise contribution to economic development, and the Business Council is a concept we wholeheartedly support. The impressive success of market-oriented ASEAN economies is eloquent testimony to the progress which private enterprises can achieve. We are exploring ways in which the U.S. Government can further strengthen the U.S. private sector contribution to ASEAN's development.

U.S. East Asian Policy

I would like to say a few words about the broader global aspects of U.S. foreign policy, particularly in the East Asian region. All of you in this room today will understand how the U.S. global responsibilities influence our regional activities and capabilities. We can deal harmoniously and productively with economic issues only in a climate of security and freedom from external threats. Indeed, the world trading system is predicated on the absence of hostilities and aggression. It is precisely to preserve a peaceful world system in which all can prosper that the United

States has to focus on threats to that system. In this regard, we are determined to continue to play a major role in assuring peace and security in East Asia.

To help ASEAN withstand the threat created by Vietnam's invasion of Kampuchea and an expanding Soviet naval presence, the United States is increasing its military assistance to individual ASEAN countries, especially Thailand, the front-line state. We recognize and accept the independent status of ASEAN, however, and we will continue to provide our support in ways fully acceptable to your governments.

It is in this broader context that the United States places such high value on its relationship with ASEAN. You are independent, self-reliant, and economically dynamic. We will continue to support this favorable situation with trade, investment, development cooperation, and military assistance.

This Administration also is engaged in a major effort to revitalize the U.S. economy. As we proceed, we may not always be able to respond immediately to your desires for increased access to the U.S. market or for increased U.S. financial support. But we are committed to an open global trading system and will strongly resist the winds of protectionism. Most importantly, the renewed health of the U.S. economy will have major benefits for international trade, including improved markets for the commodity exports of the developing world.

The Agenda for the fourth dialogue is well thought out and unusually appropriate in view of the upcoming GATT Ministerial. The discussions will influence how both sides proceed in the global context. We are especially aware of your concerns about the outlook for your commodity exports, as well as your interest in increasing the benefits from GSP. We will give careful consideration to your views on these subjects during the course of the dialogue.

We are also extremely interested in thoroughly exploring with you ways in which we can increase our investment and financial cooperation, including transfer of technology and increased access to U.S. capital markets. The dynamism of ASEAN economies has led OPIC [Overseas Private Investment Corporation], the Eximbank, and the trade and development program to count ASEAN as one of their prime customers, and we are prepared to consider

what further participation these U.S. agencies can make.

The meeting you are about to begin will play an important role in achieving mutual understanding of economic problems and concerns on both sides. We have assembled our leading experts on trade, finance, and development as well as leaders from our private business sector, to discuss your concerns and aspirations thoroughly. I am convinced that the results will lead to a further strengthening of the dynamic and fruitful relationship between our countries, leading to greater prosperity for all.

JOINT PRESS STATEMENT

The fourth meeting of the ASEAN-U.S. dialogue took place in Washington, D.C., March 9-11 in the Department of State.

The ASEAN delegations were led by H.E. Atmono Suryo, Director-General, ASEAN-Indonesia; H.E. Mohd. Yusof bin Hitam, Director-General, ASEAN-Malaysia; H.E. Vicente B. Valdepenas, Jr., Deputy Minister of Trade and Industry, Philippines; H.E. Sime D. Hidalgo, Director-General, ASEAN-Philippines; H.E. Punch Coomarasawamy, Ambassador of Singapore to the United States; and H.E. Vudhi Chuchom, Director-General, ASEAN-Thailand. H.E. Vicente B. Valdepenas, Jr., leader of the Philippine delegation, was the ASEAN spokesman. H.E. Narciso G. Reyes, ASEAN Secretary General, and members of his staff were also present.

The U.S. delegation was led by Anthony C. Albrecht, Deputy Assistant Secretary of State for East Asian and Pacific Affairs. The U.S. delegation was made up of representatives of the Departments of State, Commerce, Treasury, Agriculture, the U.S. Trade Representative, AID, Council of Economic Advisors, OPIC, and the Eximbank.

The meeting opened with a welcoming statement by Walter J. Stoessel, Deputy Secretary of State. The Deputy Secretary reaffirmed the close and friendly ties between the United States and ASEAN, the increasingly prosperous effective grouping of five nations in Southeast Asia. Secretary Stoessel went on to state that this Administration is determined to continue the high level of cooperation, friendship, and openness which has been established with the ASEAN states. The dialogue process has helped ASEAN achieve some very impressive accomplishments, including concrete and practical improvements in the economic and commercial relations between ASEAN and the United States. Regarding the role of the private sector, the ASEAN-U.S. Business Council is proving to be most important in

promoting long-run economic progress and increased trade and investment.

Anthony C. Albrecht, Deputy Assistant Secretary of State for East Asian and Pacific Affairs and head of the U.S. delegation, in introductory remarks, noted the importance of ASEAN as the fifth largest trading partner with the United States, the total trade having reached \$22 billion in 1981 and that U.S. investment in the region was now over \$5 billion with more to come. He referred to 2.2 billion in Exim loans and guarantees over the past 5 years. OPIC has provided \$14 million of insurance on 16 projects in ASEAN.

Dr. Vicente B. Valdepenas, Jr., as the ASEAN spokesman, welcomed the fourth dialogue as an opportunity for both the United States and ASEAN to resolve their common concern and hoped that the dialogue would further strengthen the partnership between ASEAN and the United States.

Both sides noted with satisfaction the progress of the ASEAN-U.S. dialogue as evidenced by the expanding development cooperation program, cultural, educational, joint narcotics control activities, and the increasing flow of technicians and officials between the two sides.

International Economy

There was a wide-ranging discussion of the issues facing the world economy. Particular reference was made to the importance of revitalizing the U.S. economy in order to restore the prosperity and the growth of the world trading system, including the ASEAN area. The United States welcomed the continuing vigorous growth exhibited by the ASEAN economies, expressing the view that the role of the private sector was one of the major elements in their prosperity.

The ASEAN side reassured the U.S. side that ASEAN states have always taken a positive attitude in searching for a healthy international political and economic environment. However, the ASEAN delegations expressed concern over certain recent developments such as the U.S. policy on commodities of interest to ASEAN particularly tin and sugar; on the integrated program for commodities; U.S. policy on multilateral development banks; economic cooperation in developing countries activities; and the U.S. position on global negotiations. Nonetheless, ASEAN is hopeful that the spirit of genuine cooperation and meaningful consultations fostered at the Cancun summit, which has characterized the ASEAN-U.S. dialogue and its activities, would result in mutually beneficial and cooperative endeavors.

Trade and Commodities

Both sides discussed the results of the MTN [multilateral trade negotiations] including the reduction of tariffs and the agreements on nontariff measures. Both sides noted that

slow economic growth and unemployment led to rising protectionist sentiment in many countries and pointed to the advantages of maintaining an open international trading system and the need to resist protectionist trends.

Both sides referred to the importance of the upcoming GATT ministerial meeting and view it as a forum to improve the multilateral trading system.

The ASEAN side expressed appreciation for the U.S. GSP [Generalized System of Preferences] scheme which has benefitted ASEAN exports, particularly of manufacturers, and welcomed the U.S. efforts to further improve the scheme as well as assist ASEAN countries in better utilizing the scheme. The ASEAN side further stressed the importance of making the GSP scheme a permanent feature of the U.S. trade policy.

The ASEAN side emphasized the importance of basic commodity exports in their respective economies. They expressed their concern at the slow progress of the integrated program for commodities in the establishment and operation of effective international commodity agreements which will contribute to the stabilization of prices. The ASEAN side reiterated their strong concern with regard to GSA [General Services Administration] release of tin onto the world market.

The U.S. side recognized the views of ASEAN on commodities and reiterated its policy of support for a case-by-case approach toward commodity matters. The United States cited its active participation in the International Natural Rubber, Sugar, and Coffee Agreements. The U.S. side felt that GSA sales had not disrupted the tin market but expressed its understanding of the ASEAN concern with regard to GSA sales of tin and in this context offered to hold special consultations with ASEAN countries. At the same time the U.S. Government wished to assure tin producers that it would cooperate with the sixth ITA [International Tin Agreement] and expects that consumers and producers would join even though for well-known reasons the United States would be unable to participate in the agreement.

The ASEAN side expressed serious concern on the possible adverse effects of the Caribbean Basin initiative on ASEAN exports to the United States, in particular sugar, a substantial portion of which have been subject to full tariff duties and fees not only on account of their being ineligible under the U.S. GSP but also due to the U.S. sugar price support program. The ASEAN side believed that the tariff benefits that would be accorded beneficiary sugar exporting countries under the Caribbean Basin initiative would result in a competitive disadvantage for ASEAN sugar exports. The U.S. side indicated that an objective of the overall Caribbean Basin initiative is to encourage diversification away from sugar and that the U.S. does not expect that Caribbean sugar exports to the United States will rise significantly above historical levels.

Investment and Finance

Both sides recognized the vital role of private capital in economic development and stressed the importance of maintaining a favorable investment climate.

The ASEAN side requested the United States to facilitate ASEAN's efforts to raise financing for their development projects, to organize investment seminars, and to undertake other measures to promote U.S. investment in the ASEAN countries. On financial cooperation, ASEAN requested the United States first, to encourage U.S. financial institutions to work on ASEAN industrial project financing; second, to make available technical expertise of financial issues; third, to organize programs such as seminars, study tours, and on-the-job training to assist ASEAN access to the U.S. capital market; fourth, to organize study tours or training programs on insurance; and finally, to encourage the U.S. Eximbank to continue its effort to promote ASEAN development.

The U.S. side indicated that they understood and supported the economic development objectives which underlay these proposals, and they would give serious consideration to them. In particular, regarding seminars, investment missions, and feasibility studies, the United States agreed to make further proposals. The U.S. representatives pointed to the programs of several U.S. Government agencies—including the U.S. Eximbank, OPIC, the Department of Commerce, Agency for International Development, and the trade and development program—which are active in the ASEAN region in support of U.S. investment. The Eximbank has sizable commitments in the ASEAN region and is prepared to increase these commitments. Similarly, the United States noted that OPIC had been active in providing insurance, loan guarantees, and feasibility studies grants in the ASEAN area; still there is considerable scope for expansion of OPIC activities in the region.

ASEAN-U.S. Business Council

Both sides welcomed the special presentation closely related to trade and investment issues made by Mr. William E. Tucker, chairman of the U.S. section of the ASEAN-U.S. Business Council. His reference to the training and technology transfer opportunities offered by U.S. firms for the ASEAN area was welcome. Both sides considered that the possibility of future participation by private sector representatives in appropriate dialogue sessions, by invitation, would be desirable.

Development Cooperation

Both sides expressed satisfaction with the progress made in six ongoing ASEAN-U.S. development projects in the fields of agriculture, energy, public health, and

U.S.-NATO Defense Relationships

academic training and research. ASEAN-U.S. projects are now underway or planned in all five member countries.

The growing success of the cooperation between ASEAN and the United States with AID funding was underlined by the signing of the seventh project agreement between the U.S. Government and ASEAN during the dialogue by AID Administrator M. Peter McPherson on behalf of the United States, and Ambassador of the Republic of Indonesia to the United States, D. Ashari, on behalf of ASEAN. The Agreement provides \$1 million of AID assistance over 3 years. This is the second energy project between ASEAN and the United States in the very important area of energy planning and development.

The first ASEAN-U.S. development cooperation agreement was signed in 1979 and since then AID has committed \$16.5 million in economic assistance to ASEAN regional projects.

Other topics discussed during the meeting included narcotics control, cooperation in science and technology, agriculture, education, cultural affairs, and shipping. On ocean shipping policy ASEAN requested the U.S. Government to approve as soon as possible its proposed legislation to exempt the shipping lines of developing countries from being classified as controlled carriers. Both sides agreed to study carefully the proposals and suggestions exchanged in the various fields during these discussions with the aim of strengthening ASEAN-U.S. cooperation. ■

by *Lawrence S. Eagleburger*

Statement before the Senate Armed Services Committee on March 26, 1982. Ambassador Eagleburger is Under Secretary for Political Affairs.¹

I am pleased to join my Defense Department colleagues today to testify on the defense relationship between the United States and our NATO partners and, more specifically, on the relationship between the maintenance of U.S. troops in Europe and the equitable division of labor within the NATO alliance.

We read about a growing sentiment in America to withdraw forces from Europe. Ostensibly because of perceived European failure to provide adequately for its share of the common defense. It is only fair that Americans should ask whether their sacrifices are being matched by those whose territory we are committed to defend, especially as our allies have become as prosperous as we. But a responsible debate on this issue must start with a clear appreciation of our national interests and the facts about allied performance.

Under Secretary [of Defense, Research and Engineering, Richard D.] Delauer has already reviewed the facts and figures of the allied contribution to the common defense. I would like to focus my remarks on the critical importance of maintaining the U.S. military presence in Europe.

Burdensharing

There is no question that a gap exists today between the rate of growth of the U.S. defense effort and that of the allies. But one very basic reason for that is that we are now running hard to make up for nearly a generation of neglect in our military programs. The allies, in contrast, have turned in a remarkably steady performance. Roughly speaking, they have sustained an increase of between 2% and 3% for more than a decade. We are climbing out of a serious trough; they are not.

Now that we have begun—and I stress, begun—to offer genuine leadership by our example, we have every right to expect a stronger allied response. But I want to underscore that the main reason we want to see the allies do more is that Western defense

requires it, not simply because it would be more fair. As important as the question of equity is, it is secondary to the question of security. Had the allies been concerned more for equity than security, their effort might have declined as ours did during the 1970s.

Thus, I endorse the Defense Department's assessment that the allies are making an important contribution and that the policies we are now following are the best policies to induce the allies to do even more. I believe that removing U.S. forces from Europe would not only harm our security but also damage the most important set of relationships we have, and erase our hope of a greater allied contribution.

Until the 20th century, the United States sought to carve out its own destiny independent of those European states which are its political, economic, and philosophical parents. The lesson that the security of the United States is indivisible from the security of Europe was made tragically clear on two occasions in this century. At the outset of both World Wars, we began in neutrality, only to join the battle because we found that our fundamental interests were being threatened.

We are bound to Europe by history, culture, politics, and economics. Most Americans retain their personal and cultural roots in Europe. The vigorous and thriving democracies of Europe and America are the core of Western civilization. Our values are shared with Europe in the purest sense: Our values have their roots in Europe and have, in turn, nourished the European commitment to liberty and the dignity of the individual.

We and the Europeans provide the foundation of the international trading and financial systems. Our European NATO allies have an aggregate GNP slightly larger than that of the United States, and they took over \$62 billion in U.S. exports in 1980, resulting in a U.S. trade surplus of almost \$25 billion. They represent one of the largest markets for U.S. agricultural exports, which are crucial to a healthy U.S. economy. U.S. direct investment in NATO countries amounted to \$76 billion at the end of 1980 and generates a significant flow of remittances which are a positive factor

the U.S. balance of payments, as well as a major factor in the profitability of many U.S. firms.

Importance of U.S.-European Relationship

Any discussion of the rationale for U.S. troop presence in Europe has to proceed from a recognition of the critical importance of the European-American relationship in all of its forms. But it must also take account of the fact that the world has changed greatly over the 30 years since NATO was created and U.S. troops were committed to it.

First, the U.S.-Soviet balance has moved from U.S. superiority to, at best, a precarious balance, with powerful adverse trends.

Second, the U.S.-European balance has shifted even more dramatically. In 1945, the United States produced and consumed half the world's goods. Today, our allies in Europe and the Pacific collectively produce more than we.

Third, the balance between North and South has shifted most starkly. In little more than a generation, we have moved from a world dominated by the West to one where over 100 independent nations, suspicious of and sometimes hostile to the West, control extensive resources and trade routes of vital interest to the West.

These changes point to several conclusions regarding the Atlantic partnership.

First, the Soviet threat to Europe is greater than ever. It requires a greater-than-ever response. A decade of detente in Europe has failed to moderate Soviet behavior or to stem the growth of Soviet military might.

Second, the United States must rely even more on friends and allies to counterbalance Soviet power in Europe and around the globe.

Third, while the threat to Europe has grown, the threat to Western interests in other regions, from Soviet adventurism and from local instability and conflict, has also grown dramatically.

The United States and Western Europe continue to form a single social, cultural, and economic entity. It is the

most vital such entity on the globe and in the history of mankind. The world is a more dangerous and difficult place than it was 30 years ago, but the West continues to have the resources, the talents, the political will, and the military potential to maintain its security and promote peaceful progress beyond its borders.

American troops in Europe form the essential military bond which holds this Western coalition together. American troops in Europe are the concrete embodiment of America's commitment to collective security. American troops in Europe are the essential prerequisite for America's leadership of a united Western coalition. Placing that commitment in doubt would demoralize Western Europe and virtually exclude allied support for U.S. efforts to meet the Soviet challenge outside of Europe.

I recognize that most of those who talk of reducing our troop presence in Europe would subscribe to what I have said. They would argue that we should maintain our commitment and our

presence but that we should spur our allies into action by symbolic withdrawals or by threatening withdrawals. Their approach is largely tactical, designed to produce a more equitable distribution of the burden, if not a greater overall effort.

This approach is highly unwise. At a time when we are working with allied governments to warn publics as to the magnitude of the Soviet threat, even token troop withdrawals would send a totally contradictory signal. It would be impossible to counter the argument that the European security situation cannot be all that bad if the United States has begun to pull out forces. We would cripple allied governments in their efforts to gain public and parliamentary support for improved defenses.

The main beneficiary of any U.S. troop withdrawal would be the Soviets. Dividing the alliance and pushing America out of Europe is a central aim of Soviet foreign policy. The divisiveness that would be created by a U.S. drawdown, and the resultant decrease in

Sixth Report on Cyprus

MESSAGE TO THE CONGRESS, JAN. 28, 1982¹

In accordance with the provision of Public Law 95-384, I am submitting the following report on progress made during the past sixty days toward reaching a negotiated settlement of the Cyprus problem.

Following presentation of the United Nations "evaluation" of the intercommunal negotiations on November 18, 1981, the Greek Cypriots and Turkish Cypriots have begun to discuss the "evaluation" and identify points of agreement. The negotiators met on December 2 and 8, 1981, and following a recess at the end of the year, on January 6, 13 and 20, 1982. While doubtlessly the issues are complex and will require the best efforts of both Greek and Turkish Cypriots to resolve, we hope that continued negotiations will lead to a mutually acceptable resolution of the Cyprus problem.

As you recall, resolution of the Cyprus problem is a priority of this Administration. In this regard, I met with Cypriot President Kyprianou on December 8, 1981, for a useful and productive exchange of views. The United States remains fully committed to assisting in achieving a just and lasting Cyprus settlement and will continue to give its full support to the United Nations and the UN Secretary General's Special Representa-

tive on Cyprus, Ambassador Hugo Gobbi, in their efforts to secure solutions to the negotiating differences separating the parties.

The United Nations has continued to pay close attention to developments on Cyprus. In his December 12, 1981, report on Cyprus, the Secretary General hoped the introduction of the UN "evaluation" would "mark the beginning of a new and fruitful phase in the long search for a negotiated settlement." He stressed the need for a "concrete and effective" negotiating process and expressed the opinion that the UN "evaluation" embodies a "determined effort to lend structure and substance" to the negotiating process.

I am also pleased to note that on December 14, 1981, the Security Council passed unanimously a resolution extending the mandate of the UN Peace-keeping Force in Cyprus (UNFICYP) to June 15, 1982. We share with other Security Council members the conviction that UNFICYP's presence aids in maintaining an atmosphere conducive to productive intercommunal discussions.

Sincerely,

RONALD REAGAN

¹Identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and Charles H. Percy, Chairman of the Senate Foreign Relations Committee (text from Weekly Compilation of Presidential Documents of Feb. 1, 1982). ■

allied defense effort, would be a major Soviet triumph and only encourage them to intensify their wedge driving.

Conclusion

I know there will be those who argue that this analysis is wrong, that by stunning the Europeans, we can force them to accept more responsibility and, thus, more of the burden. I believe, and I think history shows, that American leadership and the American commitment are the surest means to hold NATO together and maintain allied efforts.

Let me assure you that we are not complacent, not inactive. We have engaged the allies extensively in discussions of what needs to be done both to increase the overall effort and to insure that the burden is fairly shared. I expect that the NATO summit will produce further progress.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Alliance Strategy and the INF Negotiations

by *Richard Burt*

Statement before the Subcommittees on International Security and Scientific Affairs and on Europe and the Middle East of the House Foreign Affairs Committee on February 23, 1982. Mr. Burt is Director of the Bureau of Politico-Military Affairs.¹

It is a pleasure to appear before you today to discuss this Administration's policy on NATO, European security, nuclear deterrence, and arms control. These issues go to the heart of America's relationship with Europe and to the Atlantic partnership which we have together fashioned. This is a partnership among free nations which share a concept of man's place in society and of the manner in which intercourse between societies should be conducted. By bridging the Atlantic with the pledge that an attack on one is an attack on all—and by giving substance to this pledge through the integration of conventional forces, nuclear forces based in Europe, and strategic nuclear forces into a single continuum of deterrent power—this partnership has allowed its members to live in freedom, peace, and prosperity for over 30 years.

The Soviet Union's ambition—reflected in its force posture, its propaganda efforts to derail NATO modernization, and its INF [intermediate-range nuclear forces] arms control proposal—is to dissolve this partnership, to turn the United States inward, and to turn Western Europe into a nuclear hostage. The United States and its allies will not allow this to happen. By moving ahead with the implementation of both tracks of NATO's 1979 decision, the alliance is demonstrating its resolve to turn back these Soviet efforts and to preserve the structure of alliance security which has maintained the peace for more than three decades.

December 1979 NATO Decision

The decision of NATO ministers in December 1979 to deploy new U.S. ground-launched cruise missiles (GLCMs) and Pershing II missiles in Europe and at the same time to engage

the Soviets in arms control negotiations involving intermediate-range nuclear forces provides the framework for any discussion of contemporary NATO nuclear weapons policy. This decision was the culmination of NATO's efforts over several years to come to terms with some fundamental—and troubling—shifts in the strategic environment.

One important aspect of this shift was the gradual erosion of U.S. strategic nuclear superiority over the Soviet Union. Throughout most of its history, NATO has relied for deterrence on a triad of forces—conventional forces, nuclear forces based in Europe, and strategic nuclear forces. The strategy of flexible response defines the relationship between the three legs of this triad. In response to aggression, NATO would respond at a level appropriate to the nature of the aggression and would retain the option of deliberate escalation should the initial response fail to cause the enemy to cease its attack and withdraw. The conventional forces of the alliance, though inferior to those of the Warsaw Pact, would serve to make a conventional response to non-nuclear aggression credible; Nuclear forces based in Europe would make clear the possibility of use of nuclear weapons in response to Warsaw Pact aggression of any kind and would serve as a visible and credible link to the central strategic forces of the United States, which were and continue to be, the ultimate deterrent.

Up through the early 1970s, NATO had high confidence that this posture would deter Soviet aggression. While the Soviets had conventional superiority on the ground in central Europe, the alliance had the means to extract a heavy price for any conventional aggression and held the option of bringing the conflict to the nuclear level, where the West had clear-cut superiority, both in theater nuclear forces and in strategic nuclear capabilities.

But as we moved into the mid-to-late 1970s, the West began to lose this nuclear edge both in theater and in strategic forces. The result of this profound change in the strategic environment was that it was no longer clear that the posture NATO had developed and maintained over the past two decades would suffice indefinitely to deter the Soviet Union. In particular, it was feared that the Soviets could come to believe—however mistakenly—that they could threaten to use nuclear weapons based in the U.S.S.R. against our European

lies without risking nuclear retaliation against the Soviet homeland.

These fears were substantiated by developments in the Soviet force posture which demonstrated that they were, indeed, seeking to weaken the link between U.S. strategic forces and European defense. For not only did the Soviets continue their decade-long buildup of conventional and strategic nuclear forces, they introduced in the mid-1970s a new system into their arsenal—the MIRVed [multiple independently-targetable reentry vehicle] SS-20 missile—whose range and mobility was designed to exploit the new strategic relationship between the United States and the U.S.S.R. and to expand significantly their capability of launching strikes against our allies from the sanctuary of their own territory. This was only part of an across-the-board nuclear modernization program which included new shorter range missiles and aircraft.

The alliance recognized that these developments threatened to undermine the central principle upon which the alliance was formed—that an attack on one member of the alliance is an attack on all its members—and to decouple the U.S. strategic deterrent from the defense of Europe. The European allies were the first to express concern about these developments. The United States responded positively. The result was the alliance decision to deploy in Europe new systems which could reach deep into the Soviet Union in order to demonstrate that the Soviet Union could not devastate Europe from a Russian sanctuary and thus to insure the Soviet recognition that any war in Europe would result in unacceptable damage to the U.S.S.R.

When INF modernization is seen in this broader context of Western deterrence strategy, the myths—sometimes expressed here and frequently expressed across the Atlantic—which have come to surround the alliance decision of December 1979 melt away.

- The deployment of cruise and ballistic missiles to Europe does not move NATO away from its strategy of flexible response. Rather, the deployment decision is essential to sustaining NATO strategy. In particular, it will link more firmly the U.S. strategic deterrent to the defense of Europe.

- This deployment was not thrust by the United States upon the Europeans. Rather it represents a considered American response to a widely felt

European need for an evolutionary adjustment of NATO's capabilities to take account of the onset of strategic parity and the massive and continuing buildup of Soviet theater forces, such as the SS-20.

- The deployment does not give the alliance a qualitatively new capability. The United States has had systems in Europe capable of striking the Soviet Union since 1952. Rather this deployment will permit NATO to preserve that capability and retain that element of our deterrent strategy despite improvements in Soviet air defense, the aging of our own systems, an increasing need to commit NATO's aircraft resources to conventional roles, and large-scale new deployments of Soviet INF.

- This deployment does not increase the alliance's reliance upon nuclear weapons. Rather, in providing NATO a more balanced nuclear posture, this planned deployment has already permitted a significant net reduction in total nuclear weapons located in Europe.

- This deployment does not represent a step toward the development of a NATO nuclear war-fighting capability. It is the Soviet Union which is developing the capability to fight and win a nuclear war in Europe. This deployment will force upon them the realization that NATO will not fight a war on their terms, will not permit them to regionalize a conflict to exclude Soviet territory, and will not permit them to hold Europe a nuclear hostage.

Role of INF Arms Control

At the same time, NATO recognized that effective arms control could serve the same end—reinforcement of the link between the United States and its allies. When the Reagan Administration took office, it recognized that this "track" of NATO's 1979 decision was equally important. In one of the new Administration's first foreign policy steps, it announced its intentions to pursue both tracks of NATO's December 1979 decision.

Throughout 1981 the Administration conducted an extensive review of U.S. INF arms control policy as part of its overall review of arms control policy. This review, and intense consultations with our NATO allies, culminated in the

offer made by President Reagan in his November 18 address, to cancel U.S. plans for deployment of ground-launched cruise missiles and Pershing II missiles in exchange for the elimination of all Soviet SS-20, SS-4, and SS-5 missiles.

The rationale behind this simple and straightforward proposal is simple: If the Soviets are willing to eliminate the systems of most concern to the West, the United States is prepared to forego deployment of those systems the Soviets declare are of most concern to them—the GLCM and Pershing II. This proposal has the full support of the alliance. It provides the basis for the U.S. position in the ongoing INF arms control negotiations between the United States and Soviet Union which began in Geneva on November 30 of last year.

The principles which guided the United States to adopt this position are worth highlighting because they illustrate the place of our INF objectives in our overall national security policy and underscore our commitment to a militarily meaningful arms control.

- The agreement should focus on the most dynamic and threatening aspect of the threat—longer range land-based INF missiles. A negotiation which attempted to encompass a wide range of other systems would divert attention away from this threat and introduce complexities which would impede our effort to achieve agreement.

- Limitations should be global in scope. Because of the range, mobility, and transportability of modern INF missiles, such as the SS-20 missile, limits applied only to those in Europe would not effectively limit the threat to Europe.

- Limits must be equal. Equality between the United States and the Soviet Union is the only acceptable basis for an agreement. The United States cannot permit the Soviet Union to achieve superiority either through negotiation or through military buildup.

- Third-party systems should neither be limited nor compensated for in any agreement. In a bilateral U.S.-Soviet negotiation it would be totally inappropriate to negotiate on systems of countries not present at the negotiating table. The Soviet Union cannot, in any case, expect to be granted the right to maintain forces as large as all others combined, for the pursuit of

total security by any country must result in total insecurity for all the rest.

- Any agreement must be verifiable. Given the smaller size and greater mobility of INF systems, this will be an even greater challenge in INF talks than in those on strategic arms.

The approach chosen by the President, and endorsed by the allies, adheres to these principles.

- The proposal would place limits on those Soviet systems which are of greatest concern to NATO: longer range land-based INF missiles, such as the SS-20, and on those U.S. systems about which the Soviets have expressed most serious concern, the new ground-launched cruise missiles and Pershing II missiles.

- The proposal calls for limits on a global basis, rather than limits confined to a specific, arbitrary region. In seeking the elimination of all SS-20s, SS-4s, and SS-5s, the United States is willing to forego deployment of Pershing II and GLCM in any part of the world.

- The proposal would set equal limits at the zero level. The Soviets claim that they want major reductions and parity; our proposal puts that claim to the test.

- The proposal has been put forth with verification considerations clearly in mind. A total ban on a system, such as the ban we are seeking on longer range land-based INF missiles, will be easier to verify than any numerical limit above the zero level.

Soviet Approach

The Soviets have their own two-track approach to INF. On one track they

since these systems could not strike the United States, but only the European allies, they should be of no concern to the United States. It was only when faced with the prospect of new INF missile deployments in NATO Europe that they agreed to put their systems on the table at all. They have, for example, proposed a moratorium on the deployment of "medium-range" systems in Europe. This proposal is transparently designed to perpetuate the current Soviet monopoly on longer range INF missiles, effectively blocking NATO's planned modernization. In addition, it would do nothing to prevent the Soviets from continuing deployments east of the Urals, deployments which would still pose a threat to our allies. First made public in October 1979 and repeated in various forms since, this moratorium proposal continues to be put forward by the Soviets, but more recently it has been accompanied by another approach designed to serve the same ends, through somewhat different means.

The Soviets publicly outlined this second proposal in TASS on February 9. It calls for reductions in NATO and Soviet "medium-range systems" down to 600 by 1985 and down to 300 by 1990. Included on the Western side would be U.S. aircraft, including carrier-based and land-based aircraft not in Europe, and French and British systems. On the Soviet side the limits would include SS-20s, SS-4s, and SS-5s and Backfire, Badger, and Blinder aircraft in Europe. Excluded would be all Soviet systems outside Europe and aircraft in Europe of comparable range and capability to those U.S. aircraft included. This pro-

without limit—and could be further augmented under the loophole allowing the withdrawal of allegedly "reduced" systems from the European U.S.S.R. At SS-20, it must be noted, is rendered no less threatening if it is moved out of Europe but can still reach alliance territory.

The Soviet proposal, in short, would not require the destruction of a single SS-20 missile. Soviet reductions could be accomplished solely by retirement of older systems such as SS-4s and SS-5s, which Brezhnev himself has stated have outlived their useful service life. In short, it is anything but a reduction proposal as far as Soviet forces are concerned.

The Soviet proposal rests on the claim that a "balance" in "medium-range nuclear arms exists in Europe. They cannot support this claim except by manipulation of the facts—for example by including U.S. systems not deployed in Europe, U.S. systems which do not even meet the Soviet criterion for "medium-range systems," as well as U.K. and French independent nuclear forces. The Soviets ignore the fact that if their nuclear-capable aircraft of comparable ranges are also included in the count, the disparity in their favor is made even worse. The Soviet claim that a balance exists is designed to conceal the Soviet monopoly in longer range land-based INF missiles.

For NATO, on the other hand, the impact of the Soviet so-called reductions proposal would be a severe curtailment of existing capabilities. U.S. longer range land-based INF missiles would be held to the present level of zero. Other U.S. intermediate-range nuclear forces would be effectively eliminated from Europe.

The proposed outcome is consistent with an apparent Soviet view that the U.S.S.R. has a right to maintain forces as strong as those of all others combined and, therefore, must be superior to the United States. In sum, the Soviet so-called reductions proposal:

- Would not result in effective arms control,
- Would codify a Soviet nuclear preponderance, and
- Would serve longstanding Soviet political ambitions toward Western Europe, with the decoupling of the United States from Europe as an essential first step, thus turning NATO

... the Soviets must come to realize that they are to be denied their primary political and military objective: to divide the United States from its allies and to shatter the unity which has given NATO its strength and resilience for the past three decades.

seek to decouple the United States from Europe with force deployments. On the other track they seek to do so through arms control and propaganda. Their objective is clearly revealed in the substance of the proposals they have put forward to date.

For years the Soviets refused to place their missiles aimed at Europe on the negotiating table. They argued that

proposal would give the Soviets the right to have, at the end of nearly a decade of supposed reductions, as many as 300 SS-20 launchers with at least 900 warheads in the European U.S.S.R. alone—a significant increase in Soviet nuclear capabilities, despite their claims of a two-thirds reduction. It would not limit in any way existing Soviet systems outside the European U.S.S.R. These would thus be allowed to increase

Europe into a nuclear hostage to the Soviet Union.

Serious negotiations can take place only at the negotiating table. The basic objectives of both sides were made public before the start of talks. The Soviets have since put details of their negotiating position at Geneva into the public domain, in a transparent attempt to gain public support for their position and to undermine alliance support for the U.S. position. Continued public disclosures must raise doubts as to their true objectives in pursuing these negotiations.

The United States, for its part, remains committed to negotiate seriously and in good faith in Geneva. It remains our conviction that the simple, straightforward U.S. approach, developed in the course of allied consultations, offers the best and most equitable possibility of early agreement leading to real reductions. We have tabled a treaty containing detailed provisions of such an agreement, in an effort to move our discussions in Geneva forward.

Consultations

It is particularly important that the U.S. position in these negotiations enjoy the full support of our NATO allies. These are unique negotiations. They involve, for the first time in a bilateral negotiation, U.S. systems deployed on the territory of our allies and Soviets systems designed to strike our allies', not our own, territory. New, truly effective consultative mechanisms have been created within the alliance in response to the unique nature of these issues: the High Level Group and the Special Consultative Group.

These groups, chaired by the United States and composed of NATO officials, have insured a firm alliance consensus on both tracks of the December 1979 decision. In particular, the position eventually adopted by the United States in Geneva was the result not only of careful work here in Washington but of extensive discussions within the alliance. Both of these groups continue to meet in order to sustain allied support for a viable nuclear posture and for a realistic approach to arms control.

It is critical to underscore the importance of maintaining support for both tracks of the December 1979 NATO decision. The modernization program is a response to a challenge to the central

basis of the alliance—that an attack on one is an attack on all. Without visible and continuing support for our modernization efforts, the Soviets would have little incentive to negotiate seriously. It was only in the face of continuing alliance unity behind the modernization program that the Soviets agreed to come to the negotiating table in the first place.

Arms control cannot move forward in a political vacuum. The arms control approach chosen by the United States and supported by the alliance offers a serious opportunity for effective arms limitations to eliminate the threat which made this modernization program necessary. But Soviet behavior in Poland cannot but influence the prospects for progress in these negotiations. Events in Poland cast a long shadow over all aspects of East-West relations and erode the basis for arms control.

The United States remains committed to implementing both tracks of the December 1979 decision and so are our allies. As the depth of this alliance-wide commitment is made manifest, the Soviets must come to realize that they are to be denied their primary political and military objective: to divide the United States from its allies and to shatter the unity which has given NATO its strength and resilience for the past three decades. They must be brought to recognize the need to accept substantial limits on their own forces, if they are to achieve comparable limits on U.S. forces of concern to them. It is in the belief that this recognition will come that we must base optimism for the prospects of the negotiations currently underway in Geneva.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Current State of the CSCE Process

by *Lawrence S. Eagleburger*

Statement before the U.S. Congressional Commission on Security and Cooperation in Europe on March 23, 1982. Ambassador Eagleburger is Under Secretary for Political Affairs.¹

It is a pleasure for me to appear with Ambassador Kampelman [Max M. Kampelman, Chairman of the U.S. delegation to the Conference on Security and Cooperation in Europe (CSCE)] today to give the commission our views on the recent session at Madrid and, indeed, on the state of the CSCE process as a whole.

As you know, the goal of the United States at Madrid has been to strengthen the process launched at Helsinki nearly 7 years ago. We have sought to do this through a detailed review of implementation of the commitments the signatory states undertook when they signed the Helsinki Final Act in 1975. And we have sponsored and supported new proposals that would build on all aspects of the Final Act—in the field of human rights and humanitarian affairs, in economic issues, and in military security.

Obstacles and Burdens

From the outset, the Madrid conference has been encumbered by actions of the Soviet Union and, in several instances, by other East European governments, which are contrary to the spirit and letter of the Final Act. The Soviet invasion of Afghanistan, repression of human rights activists, jamming of Western radio broadcasts, the decrease in emigration, and the long campaign of Soviet pressure against the reform movement in Poland imposed an oppressive burden throughout the Madrid meeting.

In addition, there were difficult negotiating obstacles in the conference itself. The East has not hesitated to provoke procedural fights intended to quell the dialogue CSCE was intended to foster. The East has stubbornly attacked

virtually all Western initiatives in the human rights and military security areas.

Nevertheless, by December of last year, the conference had made progress. This was reflected in a draft concluding document developed by the neutral nonaligned states which contained many Western proposals and criteria. This document needed improvements in the human rights and military security areas, but it, clearly, was a step toward final agreement.

The slow but steady progress was abruptly set back by the Soviet-inspired military crackdown against the democratic reform movement in Poland.

Madrid Objectives

Repression in Poland went to the core of the CSCE process. It was obvious that the reconvened Madrid meeting could have only one overriding responsibility: restoring respect for the principles and provisions of the Final Act as the foundation on which greater security and cooperation in Europe could be built.

Thus, with our allies, we set the following objectives for the Madrid meeting when it reconvened in February.

First, it was imperative that those who support the Final Act must forcefully condemn those who disdain it. As Secretary Haig told the conference on February 9: "The process of reconciliation can be halted if we ignore the acts that betray our faith. The structure of security and cooperation can collapse if we avert our eyes from the undermining of its foundation."

Thus, following up on the January 11 call by the NATO foreign ministers for urgent consideration of the situation in Poland, the Madrid meeting saw the largest gathering of foreign ministers from the participating states since the signing of the Final Act in 1975. Their speeches gave a strong and simple message to the East: stop repression in Poland; start honoring your commitments under the Final Act.

Our second goal was to reaffirm our own commitment to the CSCE process. The Final Act remains, in our view, a valid and important standard for guiding and measuring progress in solving the issues that divide Europe. The CSCE forum is an invaluable opportunity for East-West dialogue. The CSCE process

must be used to foster a climate of security and cooperation in which movements such as that of the people of Poland can flourish. We went to Madrid in February and will return to Madrid in the fall to further these aims.

Secretary Haig and every other foreign minister who addressed the session stressed the need to make the CSCE process work. In addition, Secretary Haig and other allied ministers declared that we would be ready not only to resume consideration of new commitments in CSCE but to aid economic recovery in Poland when tyranny is lifted.

Finally, we were resolved not to let the reconvened Madrid meeting resume "business as usual"—negotiation toward a substantive concluding document—while the Final Act itself was under attack.

We did not lightly decide on this course. The initiatives which we and our

allies have worked long and hard to see adopted at Madrid are designed to benefit not only the West, but all the people of Europe. Precisely because we value these proposals, we would not let them be dishonored—and the victims of Soviet repression be ignored—by acting as if nothing had happened. The defense of the Final Act took priority.

The West fulfilled all three of these goals at the reconvened meeting. It did so through an impressive display of unity. Allied delegations—not just the United States, but our Canadian and European colleagues—led the way in condemning Eastern offenses against the Final Act; in developing and carrying out tactics for meeting Western objectives; in making sure that the East understood that the West was one in its assessment of the damage wrought by repression in Poland and the long and sorry list of other Eastern violations of the Final Act.

Proposed CSCE Conference Recess

DEPARTMENT STATEMENT, MAR. 12, 1982¹

Since February 9, the Madrid follow up meeting of the Conference on Security and Cooperation in Europe (CSCE) has been addressing repression in Poland and repeated serious violations of the Helsinki accords by the Soviet Union. Like its allies and many other CSCE participating states, the United States deplores the turn of events that has brought active negotiations at Madrid to a standstill.

Our delegation in Madrid reports today that a proposal to recess the meeting until November 9, 1982, has been advanced at today's plenary session, which is still under way. The proposal to recess was presented by delegations from the neutral and nonaligned states. It follows exhaustive consultations by the sponsoring states with other delegations, East and West, regarding the advisability of continuing the meeting under the existing circumstances. We expect the recess proposal to be adopted.

Events in Poland go to the heart of the CSCE process and have prevented business as usual at Madrid. The United States and many other CSCE participat-

ing states, greatly concerned about the plight of the people of Poland, have insisted that the Madrid meeting devote its attention to these massive violations of human rights. With many others who are committed to the integrity and success of the Helsinki process, we have also insisted that it will be possible to negotiate agreements on new CSCE undertakings only when the Soviet Union and Polish authorities begin to live up to their existing commitments.

Secretary Haig and other allied foreign ministers, who addressed the Madrid meeting when it reconvened last month, stressed our continuing dedication to the principles and provisions of the Final Act and our desire to be able to move ahead on the basis of a draft concluding document presented last December by the neutral and nonaligned countries, taking into account the need for improvements in both the human rights and military security areas.

When we return to Madrid in the fall, we will review the situation in Poland. We hope this review will show that conditions in Poland and elsewhere permit the conference to resume the effort toward agreement on new steps to strengthen the Helsinki process. But this depends on evidence of a genuine effort by the East to live up to its existing Final Act commitments.

¹Read to news correspondents by Department spokesman Dean Fischer. ■

Future Sessions

As a result of an initiative by the neutral and nonaligned countries, the Madrid meeting recessed on March 12. It is scheduled to reconvene on November 9, and I would like to give you some thoughts on the fall session.

We have not set preconditions for returning in the fall. At the very least, we will want to use the fall session to review the situation in Poland, Eastern compliance generally with the Final Act, and the health of the CSCE process.

Whether there then can be progress toward a substantive concluding document depends on the outcome of this review. If there is no improvement in Poland—release of political prisoners, the lifting of martial law, initiation of a process of national reconciliation—then there is no prospect for the comprehensive agreement we long have sought.

We do not wish for such a situation. We hope that there will be significant improvement in Poland, principally for its own sake, but also because it would create a climate that would improve chances for agreement on new initiatives under the CSCE process.

Should work resume on the draft concluding document tabled by the neutral nonaligned states last December, there would be important East-West differences to overcome regarding human rights and over the mandate for the proposed conference on disarmament in Europe. There is no assurance that the East will be any more ready in the fall to accept our proposals than it has been in the past.

As a final note, I would like to pass on Secretary Haig's deep appreciation for the superb performance by Ambassador Kampelman and the members of our delegation in Madrid. For 18 months now—far longer than any of us anticipated—Ambassador Kampelman's skilled leadership and deep commitment to CSCE have contributed to Western unity and success at Madrid. Throughout the conference, but especially in the recent session, the commission staff has been a mainstay of our effort in Madrid, both through their participation on the delegation and through their backup work here in Washington.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Visit of French President Mitterrand

President Francois Mitterrand of France made an official working visit to Washington, D.C., on March 12, 1982, to participate in discussions with President Reagan and Secretary Haig. Following are remarks upon the French President's departure on the same day.¹

DEPARTURE REMARKS²

President Reagan

This has been a very unusual friend-to-friend meeting and one for which I'm very grateful. President Mitterrand and I have had a very productive day. In the Oval Office and during our working lunch, we covered a very broad range of subjects which naturally included our preparations for two major summit meetings in June.

President Mitterrand will host this year's economic summit in Versailles, and we are, along with the other participants, committed to a conference which will help the industrial democracies deal more effectively with today's economic challenges. With that in mind, I look forward with special pleasure to my visit to France, America's oldest ally.

We also touched on the Atlantic alliance summit and the need to demonstrate allied unity and resolve in response to Soviet expansionist pressures. I will attend that summit in Bonn with the greatest of interest and commitment.

As I indicated a moment ago, our talks were comprehensive. Since President Mitterrand has just returned from Israel, I was particularly interested in his assessment of the peace process in the Middle East.

Regarding Central America, I believe that President Mitterrand now has a better understanding of U.S. policy objectives in that troubled region. Our discussion on this subject was particularly candid and thorough. President Mitterrand shares my concern that the failure to promote the evolution of democratic government in this region would have the most serious consequences. The principles and goals that we share suggest that we will be able to

work together on this problem in the months ahead.

Our exchange of views on the economic concerns of our two countries was equally frank and productive. President Mitterrand made a forceful and thorough presentation of his government's views on outstanding trade and financial issues. While it would be impossible to resolve our economic differences in one day, I think we've made tangible progress toward better communications on these important issues.

And now let me just repeat my personal thanks to President Mitterrand for coming to Washington.

Merci beaucoup.

President Mitterrand

The first thing that I would like to say is to thank President Reagan for the welcome extended here in Washington to the President of the French Republic. The welcome extended to us was, as is in the very nature of things, of course, both friendly, open, and frank. We were able to talk about a number of problems. Some of them had been prepared, of course, by the continuous exchanges which exist among our ministers, our embassies, and representatives of all kinds.

But direct talks such as these—after I have recently had opportunities of meeting a number of European political leaders and following my recent visit to Israel and in the light of the events that take place each day in Europe, in Africa, in Latin America—because of all these reasons, it was natural that our talks today were brought to bear on a number of very topical problems and, indeed, such talks are in themselves very fruitful. And, indeed, this certainly fully justified making this trip.

The prime reason for my visit to the United States was to prepare, in more specific terms, the so-called summit of the industrialized nations which will be meeting in Versailles, in France, at the beginning of June. The conference will be an opportunity to consider the economic, monetary, and financial problems that our countries have to face, and the purpose—the exercise being that we should harmonize our goals so as to be able to lend each other mutual assistance and not hindrance. It is clear that in that, we see very much eye-to-eye.

Then we talked of the other summit meeting that will take place a few days afterwards in Bonn, which will be the

summit meeting of the Atlantic alliance. That led us to discuss East-West problems, in particular, the relationship with the Soviet Union and the need to demonstrate our force so as to be able to further the possibility of negotiations, so as to be able to work toward peace while asserting our rights and the rights of the peoples of the world, in particular, Europe.

As President Reagan has just said, we also talked about Central America. I repeated what I have often stated in France and in Europe—that our first duty is to fight against poverty, the exploitation of human beings, and the domination on the part of bloody dictatorships. As has just been said, we must work in order to find the way of furthering—and this is not always an easy path to discover—the cause of democratic government. This is something that we have in common that leads to a meeting of the minds between us.

That we should do everything that can enable the democratic powers of the West to achieve a better understanding—to be able to give more assistance to the peoples that are rebelling against their fate and that can lead to peace, civilian peace, and more freedom—is a good thing. And, as I said when I was receiving Chancellor [Helmut] Schmidt, I appreciated the economic proposals made in the context of the Caribbean plan which would also apply to Central America. It is clear that what is needed is more aid and consistent aid. I think that what is being suggested is a step in the right direction. The path to be followed will clearly be a long one, but everything that is done that can show us where that path lies and can enlighten us in that respect can but be a good thing.

As far as the Near East is concerned, I was in the area recently. Only last week, I indicated what my feelings were on the subject. It was, therefore, only natural, in talking with the President of the United States, that we

should also discuss those very serious questions. We found that the assertion of the rights of Israel and the rights of all peoples of the region should make it possible to define, with patience and tenacity, the policies that will lead to peace. Now, our two countries are not the only ones to pass judgment on such policies, but they are policies which should be of interest and concern to the countries directly involved in the area.

Finally, on bilateral matters—there we were talking among friends. That is a long story that goes back many years. But we were able to discuss these matters frankly, as friends and allies, whose calling should be in the world to express their views clearly, so as to be able to bring them closer together when they are not the same and in order to be able to assert them with greater force when one's positions do converge, so as to be able to give the right kind of orientation to the peoples of the world who are waiting with anxiety for the outcome.

As to the hospitality that has been extended to me, I would like to say that it has given me, again, the opportunity to feel the real depth of the ties between our two countries. I certainly intend on the next occasion, which will be in my own country, to continue along the very same lines. In such talks, we have been able to discuss matters. We must continue to do so, to talk about these issues with method, in order to be able to indicate clearly the areas on which we can move forward together and in order to be able to serve, to the best of our ability, the cause of world peace.

My last words will be to say thank you, I turn, particularly, to the President of the United States in order to extend to him, directly, my heartfelt thanks.

¹Text from Weekly Compilation of Presidential Documents of Mar. 15, 1982.

²Made on the South Portico of the White House. ■

Human Rights in Poland

DEPARTMENT STATEMENT, MAR. 11, 1982.¹

On March 10, the U.N. Human Rights Commission, meeting in Geneva, adopted a resolution which expressed its deep concern over the widespread violations of human rights and fundamental freedoms in Poland. The 43-member Commission adopted the resolution by a vote of 19 in favor, 13 opposed, with 10 abstentions and one nonparticipation. The resolution affirms the rights of the Polish people to pursue their political and economic development free from outside interference. It calls for the end of measures restricting human rights, and fundamental freedoms, release of prisoners detained without charge, and review of sentences proposed under martial law. It also requests the Secretary General to undertake a thorough study of the human rights situation in Poland and present a comprehensive report to the next annual session of the Commission.

This action by the U.N. Human Rights Commission was an important event. It was the first time in 38 years that the Commission has spoken out on human rights violations in an Eastern European country. It demonstrates that Poland is not an East-West issue but a matter of worldwide concern. The resolution received support from all regions. The sponsors of the resolution were all European nations. And many small countries courageously resisted Soviet pressure to vote against the resolution.

This action by the Commission is a victory for human rights and for the Polish people. It represents an important expression of deep international concern through a U.N. body, for the plight of the Polish people who are struggling against the deprivation of their human rights and fundamental freedoms.

¹Read to news correspondents by Department spokesman Dean Fischer. ■

U.S. Issues Report on Chemical Warfare

by *Walter J. Stoessel, Jr.*

Statement made to news correspondents at the Department of State on March 22, 1982. Ambassador Stoessel is Deputy Secretary of State.

This morning Secretary Haig transmitted to the Congress a report on Chemical Warfare in Southeast Asia and Afghanistan." The report is also being provided to the Secretary General of the United Nations and to each member government of that world organization. This report contains the most comprehensive compilation of material on this subject available and presents conclusions which are fully shared by all relevant agencies of the U.S. Government.

The judgments contained in this study were arrived at through a rigorous analytical process.

- Every relevant piece of information available to the U.S. Government has been reviewed.
- All the test data on physical evidence, including environment samples and background controls, were gone over again.
- A scientific report on toxins was prepared.
- The medical evidence was analyzed.
- Extensive consultations were held with government and nongovernment scientists and medical authorities, many of whom were asked to review the evidence.

This information was then correlated. The testimony of eyewitnesses—date, place, and type of attack—was matched against information from defectors, journalists, international organizations, and sensitive sources and methods.

Information dating back to 1975, reviewed, analyzed, and correlated in this manner, has led the U.S. Government to come to the following conclusions.

- In Laos, selected Lao and Vietnamese forces, under direct Soviet

supervision, have employed lethal trichothecene toxins and other combinations of chemical agents against H'Mong resisting government control and their villages since at least 1976. Trichothecene toxins have been positively identified, but medical symptoms indicate that irritants, incapacitants, and nerve agents also have been employed. Thousands have been killed or severely injured. Thousands also have been driven from their homeland by the use of these agents.

- In Kampuchea, Vietnamese forces have used lethal trichothecene toxins on Democratic Kampuchean troops and Khmer villages since at least 1978.

Medical evidence indicates that irritants, incapacitants, and nerve agents also have been used.

- Toxins and other chemical warfare agents have been developed in the Soviet Union, provided to the Lao and Vietnamese either directly or through the transfer of know-how, and fabricated into weapons with Soviet assistance in Laos, Vietnam, and Kampuchea.

- In Afghanistan, Soviet forces have used a variety of lethal and nonlethal chemical agents on resistance forces and Afghan villages since the Soviet invasion in December 1979. In addition, there is some evidence that Afghan Government forces may have used Soviet-supplied chemical weapons against the freedom fighters even before the Soviet invasion.

The implications of these findings are far-reaching. The use in war of lethal chemical or toxin weapons is forbidden by one of the oldest arms control agreements still in force—the Geneva protocol of 1925—and by the customary international law which has grown out of that agreement. The possession, manufacture, storage, and transfer of toxin weapons is forbidden by one of the most recent arms control treaties now in force—the Biological and Toxin Weapons Convention of 1972. As this report documents, the Soviet Union and its allies are flagrantly and repeatedly violating international law and international agreement.

Chemical warfare thus poses a

threat not only to its immediate victims but to the entire international community, and particularly to those nations least able to defend themselves against such weapons. For the chemical and toxin weapons which the Soviet Union has developed, used, and supplied to its clients are a cheap, convenient, and effective way to subdue, terrorize, and exterminate defenseless peoples. If the world community fails to halt this activity in Laos, Kampuchea, and Afghanistan, it will have little chance to prevent its repetition in other lands, against other peoples.

As the report states: "Only an alert and outspoken world community, intent to maintain those standards of international behavior it has so painfully achieved and so tenuously established, can bring sufficient pressure to bear to halt these violations of law and treaty." With the publication of this report, the world community has been alerted. The United States will continue to be outspoken. We are confident other nations, as they recognize the danger, will do likewise. ■

Copies of the Report

This 32-page study presents the evidence available to the U.S. Government on chemical warfare activities in Laos, Kampuchea, and Afghanistan through January 1982 and examines the Soviet involvement in those activities. It is based on a massive amount of information, from a variety of sources, which has been carefully compiled and analyzed over the years. The report is accompanied by annexes and tables that provide details of the medical evidence and sample analyses, a technical description of trichothecene toxins, and other supporting data.

Free, single copies of Special Report #98 entitled "Chemical Warfare in Southeast Asia and Afghanistan" may be obtained from the Public Information Service, Bureau of Public Affairs, Department of State, Washington, D.C. 20520. ■

U.S. Program To Deter Chemical Warfare

FACT SHEET,
FEB. 8, 1982¹

Background

The Administration's ultimate goal in the area of chemical warfare is a complete and verifiable ban on the production and stockpiling of chemical weapons. Until such a ban can be obtained, our objective, consistent with existing treaties and international law, is to deter the use of chemical weapons. The United States will not use chemical weapons unless chemical weapons are first used against us or our allies. The United States does not and will not possess biological or toxin weapons.

Soviet Chemical and Biological Warfare Programs

Soviet military doctrine envisages the use of chemical weapons and acknowledges their value, particularly when used in massive quantities and in surprise attacks.

Of more significance, the Soviet Union and its allies are well prepared to wage chemical warfare and to fight in a chemically contaminated environment. The U.S.S.R. possesses a wide variety of lethal and incapacitating chemical agents and the means to deliver them. They have a busy and expanding chemical provingground and a large, well-trained chemical organization, with over 60,000 troops, whose status within the Soviet military hierarchy was enhanced during the 1970s. They have invested heavily in individual and collective protection and decontamination equipment, and they train with actual chemical agents.

In addition to extensive Soviet chemical warfare programs, the major accident in Sverdlovsk and evidence in Southeast Asia indicate that the Soviet Union's arsenal also includes toxic substances specifically prohibited by the Biological and Toxin Weapons Convention.

U.S. Program in the 1970s

In contrast with the Soviet Union during most of the 1970s, the United States

allowed its retaliatory capability to decline, did little to improve defense against chemicals, and neglected relevant defense doctrine and training. In addition, the United States in 1969 stopped the production of lethal or incapacitating chemical agents and the filling of new munitions with chemical agents. At the same time, the United States renounced the use of biological and toxin weapons, destroyed all stocks of these weapons, and converted its biological warfare facilities to peaceful purposes.

Arms Control Efforts

While unilaterally restraining our capabilities, the United States made major efforts in the 1970s to eliminate the chemical warfare threat by attempting to reach an agreement with the Soviet Union on a comprehensive and verifiable ban on chemical weapons. Verification of such a ban is a complex and difficult problem. These efforts stalemated due principally to fundamental disagreement on the tough issue of the need for effective verification of a chemical weapons ban and particularly Soviet intransigence on questions relating to on-site inspections. Negotiations were further complicated by our weakness in this area compared to the Soviets, who possessed a decisive military advantage and had little arms control incentive in the face of the large asymmetry in chemical warfare capabilities. The Soviets did, however, have an interest in negotiations as long as it impeded improvement of U.S. deterrent capabilities.

Requirements for Deterrence

In view of the overall military balance between the United States and the Soviets, we cannot rely on other components of our military capabilities to deter chemical warfare. Consequently, to deter we find we need to improve our chemical weapons capabilities sufficiently to deny the Soviets the significant military advantage they would gain from using chemical weapons. Improving our defenses against chemical weapons is a necessary but not sufficient step to deny the Soviets such an advantage.

Improved defenses can save lives, reduce casualties, and reduce—but not eliminate—significant degradation of military performance in a chemically contaminated environment. The needed protective equipment reduces mobility, slows operations, and makes many tasks difficult or impossible. Reliance solely on

improved defenses would leave the initiators of chemical warfare largely free to operate without the constraints imposed by protection; thus yielding them a major advantage and encouraging the use of chemical weapons.

Therefore, in addition to improving our defenses, we must maintain a capability to retaliate with chemical weapons to reduce the incentive to the enemy's first use, since he would also have to operate with the encumbrance of protective equipment. However, our current chemical weapon stockpile—which will ultimately be destroyed—is inadequate to provide an effective deterrent. Most of the current stockpile is not usable because it is stored in bulk containers. Much of the remainder is in ammunition for weapons that have been or will be phased out of service. The current stockpile is also lacking in weapons that can be used against the rear echelons of attacking forces. Finally, the current stockpile presents logistical problems, due to the elaborate safety precautions required in transport, which further restrict its utility.

In 1980, both the defense science board and a senior interagency review group found serious deficiencies in the U.S. chemical weapons posture and recommended an improvement program consisting of both the protective and retaliatory elements of deterrence. They made no recommendations on overseas weapons deployment.

Program Objectives and Requirement

It is the objective of the U.S. chemical warfare program to improve defensive and retaliatory capabilities to deter chemical weapons attack and to provide incentive and gain leverage in arms control negotiations.

Recent U.S. Government program requests include the following.

- The Carter Administration requests for the chemical weapons program increased from \$111 million in FY 1978 to \$259 million in 1981 to improve defenses against chemical warfare.
- In 1981 the new Administration's FY 1981 Defense supplemental request included \$20 million to purchase and install the equipment required to complete the binary production facility authorized and appropriated by the previous Congress.
- The FY 1982 budget request included \$532 million for chemical warfare programs, primarily for defense, but no funds for the production of weapons.

The FY 1983 request for the

chemical program is \$705 million, with 70% for defense and 10% for disposal of obsolete chemical weapons. The remainder supports the retaliatory element of the deterrence program and includes \$30 million for procurement of binary chemical munitions—the 155mm binary artillery projectile and the Bigeye aerial chemical bomb.

The defensive element of the FY 1983 program (\$508 million) will improve the quality of all aspects of chemical defense: training, individual and collective protection, detection and warning, decontamination, and medical.

The objective for the retaliatory element of the program (\$123 million in FY 1983, including the funds for production) is to maintain the safest, smallest chemical munitions stockpile that provides the ability to deny a significant military advantage to any initiator of chemical warfare. We need not, and will not, plan to match the Soviets in quantity/munition quantities and types. The United States will continue to exercise responsible restraint in this area and will make only those improvements necessary to insure that the United States has a credible and effective deterrent/retaliatory capability.

The binary munitions being developed by the United States contain two lethal substances which form the standard nerve gas only when mixed. We have considerable safety, security, and logistical advantages that binary weapons offer during the entire life cycle, from manufacturing through storage and transportation to eventual disposal, make binaries the logical choice over unitary munitions for stockpile modernization. Transportation advantages make a strategy of centralized storage and crisis deployment more workable, and there is considerable flexibility in storage and control of the binary components.

Alliance Issues

Our allies recognize the chemical threat and are committed by the NATO long-term defense plan to improve their chemical defenses. Our NATO allies have been informed of our intent to improve the U.S. retaliatory capability. This U.S. decision involves development and production only. No decisions or recommendations have been made regarding deployment of chemical weapons. Should it ever be determined that overseas deployment is desirable, there will be full consultation with the nations involved prior to making any decisions.

Conclusion

The ultimate goal of U.S. policy is to eliminate the threat of chemical warfare by achieving a complete and verifiable ban on chemical weapons. Our program supports this goal by improving our military posture sufficiently so that the Soviets will perceive that they have nothing to gain from chemical or biological warfare.

It is worth noting since the end of World War I, all use of toxic chemical weapons has been against unprotected military forces and civilians who could not protect themselves and who had no ability to retaliate. Even in the intense European conflict of World War II following D-Day, Hitler did not use his chemical arsenal. He believed the Allies stood ready to retaliate.

The thrust of all our efforts in this area is to deter the use of chemical and biological weapons and to give incentive to the Soviet Union to join us in our objective of seeking a complete and verifiable ban on the production, development, and stockpiling of such weapons. If we are successful in achieving this ban, we will be able and eager to terminate the chemical weapons program at any time.

U.S. Sale of Trident II Missile System to the U.K.

Following are a White House statement and letters exchanged between British Prime Minister Margaret Thatcher and President Reagan and between Secretary of Defense Caspar W. Weinberger and British Secretary of State for Defence John Nott.¹

WHITE HOUSE STATEMENT, MAR. 11, 1982

Today in London, the British Government is informing the House of Commons of its decision to purchase from the United States the Trident II (D-5) missile system rather than the Trident I (C-4) system. When the President decided in October 1981 that the U.S. Navy would develop the Trident II missile, he informed the British Government that it

would be available for purchase by the United Kingdom. In an exchange of letters today, Prime Minister Thatcher formally requested that the United States sell the Trident II missile, and the President agreed.

Beginning during the Second World War, the United States has cooperated intimately with the United Kingdom on nuclear matters. In President Roosevelt's Administration, American and British scientists began working together on the development of nuclear weapons. In 1962 at Nassau, President Kennedy agreed to assist the British in the development of their strategic nuclear forces by selling Polaris missiles to the United Kingdom. Today's announcement signals a continuation of this longstanding cooperation, which is a central element in the close cooperation between the United States and the United Kingdom.

The primary reason for the British choice of the Trident II missile over the Trident I is to maintain commonality with the U.S. Navy. Although the performance of the Trident I was adequate for British purposes, there would be a long-term logistic and cost penalty associated with the uniqueness of the system once the U.S. Navy made the transition to the Trident II missile.

The Administration believes the independent British strategic nuclear force which is assigned to NATO makes an important contribution to the ability of the North Atlantic alliance to deter Soviet aggression. For this reason, the President has decided to continue to assist the United Kingdom in the maintenance of a modernized, independent British deterrent force into the 21st century. In addition, the President's letter welcomes the Prime Minister's commitment to use savings from cooperation in the strategic nuclear field to strengthen British conventional forces, which are also vital to the NATO deterrent.

EXCHANGE OF LETTERS, MAR. 11, 1982

Prime Minister Thatcher's Letter

Dear Mr. President:
I wrote to your predecessor on 10 July 1980 to ask whether the United States Government would be ready to supply Trident I missiles equipment and supporting services to the United Kingdom on a similar basis to that on which the Polaris missiles were supplied under the Polaris Sales Agreement of 6 April

1963. President Carter replied on 14 July confirming that the United States Government was prepared to do so, subject to and in accordance with applicable United States law and procedures.

In the light of decisions taken by the United States Government in 1981 to accelerate their own programme to procure Trident II missiles, and to phase out the Trident I programme earlier than had hitherto been intended, the United Kingdom Government have carried out a review of their nuclear deterrent programme. In the light of this review, I am now writing to ask whether in place of Trident I missiles the United States Government would be ready to supply Trident II missiles, equipment and supporting services on a continuing basis and in a manner generally similar to that in which Polaris was supplied. The United Kingdom Government would wish to purchase these missiles complete with multiple, independently targetable reentry vehicles but without the warheads themselves. I propose that, as in the past, close co-ordination should be maintained between the executive agencies of the two Governments in order to assure compatibility of equipment.

Like the Polaris force, and consistent with the agreement reached in 1980 on the supply of Trident I missiles, the United Kingdom Trident II force will be assigned to the North Atlantic Treaty Organisation; and except where the United Kingdom Government may decide that supreme national interests are at stake, this successor force will be used for the purposes of international defence of the Western alliance in all circumstances. It is my understanding that co-operation in the modernisation of the United Kingdom nuclear deterrent in the manner proposed would be consistent with the present and prospective international obligations of both parties.

I would like to assure you that the United Kingdom Government remain wholly committed to the strengthening of the Alliance's conventional forces. The United Kingdom Government have in recent years substantially increased their defence spending and further increases are planned for the future in order to sustain the United Kingdom's all-round contribution to allied deterrence and defence. The economies made possible by the United States Government's co-operation with respect to the supply of the Trident I missile system will be used in order to reinforce the United Kingdom Government's continuing efforts to upgrade their conventional forces.

If the United States Government are prepared to meet this request, I hope that as the next step you will be prepared to receive technical and financial missions to pursue these matters using the framework of the Polaris Sales Agreement where appropriate.

Yours sincerely,

MARGARET THATCHER

President Reagan's Letter

Dear Margaret:

Thank you for your letter of March 11.

I am pleased to confirm that the United States Government is prepared to supply to the United Kingdom TRIDENT II missiles, equipment and supporting services as proposed in your letter, subject to and in accordance with applicable United States law and procedures.

The United States readiness to provide these systems is a demonstration of the great importance which the United States Government attaches to the maintenance by the United Kingdom of an independent nuclear deterrent capability. I can assure you of the United States' willingness to cooperate closely with the United Kingdom Government in maintaining and modernizing the capability.

I attach great importance to your assurance that the United Kingdom TRIDENT II force will be assigned to NATO and that the economies realized through cooperation between our two governments will be used to reinforce the United Kingdom's efforts to upgrade its conventional forces. Such nuclear and conventional force improvements are of the highest priority for NATO's security.

I agree that, as the next step, our two governments should initiate the technical and financial negotiations which you propose.

Sincerely,

RON

Secretary Weinberger's Letter

Dear John:

In the exchange of letters between the President and the Prime Minister of today's date, it was agreed that the United States Government would supply Trident II missiles to the United Kingdom. I am writing now to record our joint understanding on specific aspects of the agreed arrangements for the sale of the Trident II (D-5) missile system and associated equipment.

It is understood that the Polaris sales agreement of 1963 and its implementing agreements will be the general pattern for the sale of the Trident II (D-5) missile system.

It is agreed that the United Kingdom will pay a total contribution to research and development for the Trident II (D-5) system equivalent to \$116 million in Fiscal Year 1982 dollars, subject to actual payments being adjusted to reflect an agreed inflation index.

It is understood that the United Kingdom acknowledges that waiver by the United States of all charges (other than the administrative charge) in excess of \$116 million will fully satisfy the requirement that the United States Government gives defense assistance to the United Kingdom defense budget in return for manning by the United Kingdom of Rapiers air defense of United States Air Force bases in the United

Kingdom, and support and servicing for the Rapiers systems. In addition it is understood that the United Kingdom will employ additional savings represented by the remainder of the United States waiver to reinforce its efforts to upgrade its conventional forces.

With respect to procurement of the Trident II (D-5) weapon system, the Department of Defense is prepared to undertake, subject to compliance with United States law and national policy:

- to permit United Kingdom manufacturers to compete on the same terms as United States firms for subcontracts for Trident II (D-5) weapon system components for the program as a whole;

- to ensure that Department of Defense procedures bearing on such competition for such Trident II (D-5) weapon system components are consistent with this general principle; and

- to designate appropriate United States staff in both countries to provide a point of contact for United Kingdom manufacturer and to offer advice and briefing.

The United States attaches great importance to the maintenance by the United Kingdom Government of an independent nuclear deterrent. I am, therefore, pleased that it has been possible to reach this agreement between our two countries. I regard this arrangement as a significant contribution to the maintenance of stability and peace.

With warm regards,

CAP WEINBERGER

Secretary Nott's Letter

Dear Cap,

Thank you for your letter of today's date dealing with specific aspects of the arrangements for the purchase by the United Kingdom Government of the Trident II (D-5) missile system.

I confirm that my understanding of the agreed arrangements is in accord with that set out in your letter.

Our agreement on this is further evidence of the closeness of the co-operation between our two countries and is a matter of the greatest satisfaction to the United Kingdom Government.

Yours sincerely,

JOHN NOTT

¹Texts from Weekly Compilation of Presidential Documents of Mar. 15, 1982.

U.S. Participation in Law of the Sea Conference

by James L. Malone

Statement before the House Merchant Marine and Fisheries Committee on February 23, 1982. Ambassador Malone special representative of the President for the Third U.N. Conference on Law of the Sea.¹

I am pleased to appear before this committee today to brief you on the President's recent decision to resume U.S. participation in the Law of the Sea Conference. With your permission, I will introduce the full text of the President's statement for the record.²

In his public statement, the President made clear several points, which I would like to reiterate.

- It is important that a Law of the Sea treaty be fashioned so that the United States can join in and support it.
- Major elements of the deep seabed mining regime are not acceptable to the United States.
- We have six broad objectives with regard to the deep seabed mining regime, and we will be seeking changes in the draft treaty in order to achieve them.
- The United States remains committed to the multilateral treaty process and will support ratification if our six objectives are fulfilled.

We are now consulting with our principal allies, the Soviet Union, the leadership of the conference, and influential delegates from the conference, including the leadership of the Group of 77.

Beginning tomorrow, we will participate in a formal intersessional meeting of the conference. That will be an important opportunity to explore potential solutions to the problems we have raised with Part XI of the draft convention. During the first week of March, we will assess the results of our consultations and the intersessional meeting, determining whether we believe it is possible to negotiate satisfactory changes to the draft convention which meet the President's objectives. The assessment will describe what the U.S. delegation believes to be an achievable package of improvements in Part XI. This assessment will be reviewed carefully before we proceed further.

During the February informal consultations, we have explained our problems with the draft convention in a clear and precise way. We have discussed those potential solutions which we believe would meet our national interests and make the treaty acceptable to the United States. I will make available a compendium of the approaches to problems in Part XI which we are placing before the conference leaders in order to evaluate the prospects for successfully negotiating changes that satisfy the President's objectives. Let me turn now to those objectives.

The President stated that we will seek changes necessary to correct unacceptable elements of the draft treaty and to achieve our six objectives.

First, the treaty must not deter development of any deep seabed mineral resources to meet national and world demand.

The United States believes that its interests, those of its allies, and, indeed, the interests of the vast majority of nations will best be served by developing the resources of the deep seabed as market conditions warrant. We have a consumer-oriented philosophy. The draft treaty, in our judgment, reflects a protectionist bias which would deter the development of deep seabed mineral resources, including manganese nodules and any other deep seabed minerals such as the polymetallic sulphide deposits which have received considerable publicity recently.

Many different provisions of the draft treaty discourage development of seabed resources. Chief among them are:

- The production policies of the Authority which place other priorities ahead of economically efficient resource development;
- The production ceiling which limits the availability of minerals for global consumption;
- The limit on the number of mining operations which could be conducted by any one country, thus potentially limiting our ability to supply U.S. consumption needs from the seabed; and
- Broad areas of administrative and regulatory discretion which, if implemented in accordance with the Authority's production policies, would deter seabed mineral development.

To meet the President's first objective, these and other related areas of Part XI would require change and improvement.

Second, the treaty must assure national access to those resources by current and future qualified entities to enhance U.S. security of supply, avoid monopolization of the resources by the operating arm of the international Authority, and promote the economic development of the resources.

The draft treaty provides no assurance that qualified private applicants sponsored by the U.S. Government will be awarded contracts. It is our strong view that all qualified applicants should be granted contracts and that the decision whether to grant a contract should be tied exclusively to the question of whether an applicant has satisfied objective qualification standards. We believe that when a sovereign state sponsors an applicant and certifies that the applicant meets the treaty's qualification standards, the Authority should accept such a certification unless a consensus of objective technical experts votes that the applicant's qualifications were falsely or improperly certified.

The draft convention also should make specific provision for the rights of private companies that have made pioneer investments in deep seabed mining. We are all aware that a few companies have devoted substantial resources to prospecting for deep seabed minerals and developing new technologies for their extraction. We recognize that there are different views as to the rights which pioneer investors have acquired, but practicality should guide us in this matter. Deep seabed mineral resources will not be made available for the benefit of mankind without the continuing efforts of pioneer miners. I am confident, therefore, that the conference can find ways and means to accommodate their special circumstances.

In addition, the draft treaty creates a system of privileges which discriminates against the private side of the parallel system. Rational private companies would, therefore, have little option but to enter joint ventures or other similar ventures either with the operating arm of the Authority, the Enterprise, or with developing countries. Not only would this deny the United States access to deep seabed minerals through its private companies because the private access system would be uncompetitive but, under some

scenarios, the Enterprise could establish a monopoly over deep seabed mineral resources.

To meet the President's second objective, therefore, qualified applicants should be granted contracts, the legal and commercial position of pioneer operators should be accommodated, and the parallel system should be designed to permit private miners to operate independently.

Third, the treaty must provide a decisionmaking role in the deep seabed regime that fairly reflects and effectively protects the political and economic interests and financial contributions of participating states.

The United States has a strong interest in an effective and fair Law of the Sea treaty which includes a viable seabed mining regime. As the largest potential consumer of seabed minerals, as a country whose private firms could invest substantial amounts in seabed mining, and as potentially the largest contributor to the Seabed Authority and to the financing of the Enterprise, our political and economic interests in any new international organization are far-reaching. The decisionmaking system in the Seabed Authority must reflect these realities. For example, a treaty which makes American access to natural resources of the seabed dependent on the voting power either of its competition or of those countries which do not wish to see these resources produced would not meet the President's objectives.

Similarly, the President's objectives would not be satisfied if minerals other than manganese nodules could be developed only after a decision was taken to promulgate rules and regulations to allow the exploitation of such minerals. In our judgment, the development of other seabed resources should proceed without restraint pending the development of rules and regulations.

We must be candid—many countries do not wish to see new sources of minerals produced from the seabed because they believe that such production will jeopardize their own competitive position in the world markets. We do not criticize them for holding this view but do expect them to understand that the U.S. national interest is not consistent with impediments to the production of seabed minerals. A seabed mining regime which deters production is antithetical to the interests of all nations in the economically efficient development of resources.

A way must be found to assure that any nation like the United States,

having a vital stake in the Authority's decisions, has influence sufficient to protect its interests. The decisionmaking system should provide that, on issues of highest importance to a nation, that nation will have affirmative influence on the outcome. Conversely, nations with major economic interests should be secure in the knowledge that they can prevent decisions adverse to their interests. We will make detailed proposals to the conference on ways to achieve these objectives.

Fourth, the treaty must not allow for amendments to come into force without approval of the participating states, including in our case the advice and consent of the Senate.

The draft treaty now permits two-thirds of the states parties acting at the review conference to adopt amendments to Part XI of the treaty which would be binding on all states parties without regard to their concurrence. It has been argued that a state which objects to an amendment has the option to withdraw from the treaty if the amendment is imposed without its consent. This proposal is obviously not acceptable when dealing with major economic interests of countries which have invested significant capital in the development of deep seabed mining in an international treaty regime. We believe there are ways to solve this problem, and we will be exploring them during the negotiations.

Fifth, the treaty must not set other undesirable precedents for international organizations.

Most, if not all, of the adverse precedents which would be established by the draft treaty could be avoided by achieving the six objectives set out by the President. Our negotiating efforts, however, should not result in offsetting or replacing one undesirable precedent with another. Our task in returning to the negotiating table is to satisfy all of the President's objectives. The job would not be complete if, for example, adverse precedents related to artificial production limits and protection of land-based minerals are avoided at the price of acquiescence on other issues of principle such as the mandatory transfer of technology. In solving problems in the draft treaty, we will be alert to the possibility that a particular solution may be viable in the context of the Law of the Sea treaty but inappropriate as a

precedent for some future negotiation. As we proceed to seek solutions to problems in the Law of the Sea negotiations we will be mindful of the broadest national interests and the relationship of these negotiations to U.S. participation in other global institutions.

Sixth, the treaty must be likely to receive the advice and consent of the Senate. In this regard, the convention should not contain provisions for the mandatory transfer of private technology and participation by and funding for national liberation movements.

The comprehensive policy review process was initiated because this Administration recognized that the Senate could not and would not give its consent to the emerging draft treaty of the Law of the Sea. It is, however, our judgment that, if the President's objectives as outlined are satisfied, the Senate would approve the Law of the Sea treaty. It would be necessary, of course, to demonstrate concretely how any renegotiated treaty texts have solved the problems raised by Member of the Congress and the public which led to the review and how they have met the President's objectives.

In this regard, there are certain issues to which special attention must be called. The President highlighted these in his sixth objective. The mandatory transfer of private technology and participation by and funding for national liberation movements create commercial and political difficulty of such consequence that they must be singled out as issues requiring effective solutions. These solutions will have to be clearly defensible as total solutions to the problem.

There is a deeply held view in our Congress that one of America's greatest assets is its capacity for innovation and invention and its ability to produce advanced technology. It is understandable, therefore, that a treaty would be unacceptable to many Americans if it required the United States or, more particularly, private companies to transfer that asset in a forced sale. That is why the problem must be solved.

I would like to emphasize the President's statement that, if his objectives are successfully met, he will support the ratification of this treaty. We will work with all Members of Congress, particularly those who have shown a special interest in this subject, in order to insure that they will be given an opportunity to give us their advice in advance of any

commitments we make. We will encourage Members of Congress to participate actively in the work of our delegation and to keep abreast of developments at the conference. We will continue to work with members of the advisory committee and other interested Americans. We will do everything possible to avoid a situation in which we agree to draft treaty provisions which will later face political opposition.

What we want to do now is return to the bargaining table with a clear and

firm position that meets our national interests. We believe there is a reservoir of goodwill at the conference, and we will work cooperatively and diligently at the conference to seek a result acceptable to all.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

²For text of the President's statement, see BULLETIN of March 1982, p. 54. ■

Terrorist Attacks on U.S. Official Personnel Abroad, 1981

January 1982 marked the anniversary of the release of the U.S. Embassy personnel who were held hostage in Iran for 444 days. That month also saw the assassination, in Paris, of assistant military attache Lt. Col. Charles Roy and the rescue of Gen. James L. Dozier from the Italian Red Brigades. Both incidents illustrate the continuing threat of terrorism to U.S. officials abroad.

This article is a supplement to Terrorist Attacks on U.S. Official Personnel Abroad which appeared in the April 31 issue of the Bulletin. It cites incidents involving political terrorism directed against official representatives of the United States during the year 1981, as recorded in various published sources and monographs. Attacks on private citizens are not listed.

Evan Duncan, the author of this study, is a Research and Reference Historian in the Office of the Historian, Bureau of Public Affairs. Neal H. Petersen supervised the preparation of this report.

COSTA RICA

March 17, 1981

Leftist terrorists, protesting U.S. aid to El Salvador, fired a rocket at a van carrying Marine Corps security guards in San Jose. The van was wrecked, Sgt. Steven Garcia was seriously injured, and Sgt. John E. Roberts, Cpl. Jerome Walters, and their Costa Rican driver escaped with minor injuries. Sgt. Roberts later received the Navy Commendation Medal for rescuing Sgt. Garcia from the burning van.

EGYPT

October 6, 1981

Four Americans—Marine Corps Maj. Gerald R. Agenbroad, Air Force Lt. Col. Charles Loney, Capt. Christopher Ryan, and resident Defense contractor Richard McClesky—were wounded during the assassination of Egyptian President Anwar Sadat by Egyptian dissidents. Ambassador Alfred L. Atherton, Jr., and Army Brig. Gen. Edward L. Tixier were among the embassy staff members who narrowly escaped injury.

EL SALVADOR

March and April, 1981

Unidentified gunmen fired at the U.S. Embassy in San Salvador on March 4 and 17. The second incident followed a press conference at the embassy by Congressman Clarence Long.

On March 25, an estimated 10 members of the Popular Liberation Front attacked the embassy. A rocket-propelled grenade damaged a conference room, but no embassy personnel were injured. A second rocket attack on April 1 missed the embassy but damaged a nearby building.

FRANCE

November 12, 1981

A gunman fired six shots at Christian Chapman, U.S. Charge d'Affaires, as he left his apartment for the embassy in Paris. Chapman took cover behind his

car, and the gunman fled. No group has claimed responsibility for the attack.

WEST GERMANY

March 29, 1981

Members of the Red Army faction firebombed U.S. Army offices in Frankfurt and Glessen. Damage was estimated at \$50,000; there were no injuries.

August 31, 1981

A bomb exploded in a parked car at Ramstein Air Force Base, injuring 18 military personnel, including a general, and two West German civilians. The next day, five American-owned cars were set afire in Wiesbaden. Members of the Red Army faction were suspected.

September 15, 1981

Members of the Red Army faction fired several shots and two rocket-propelled grenades at Gen. Frederick J. Kroesen, commander of U.S. Army forces in Europe, as he drove to his headquarters in Heidelberg. One grenade struck the trunk of his car; he sustained only minor injuries.

GUATEMALA

October 10, 1981

Gunmen fired on the U.S. Embassy from a passing car. A policeman was killed, and a Guatemalan security guard was wounded.

HONDURAS

September 23, 1981

Gunmen shot and wounded Air Force Sgt. Russell L. McFall and Army Sgt. Robert L. Smith in Tegucigalpa, where they were members of a U.S. military training mission.

ITALY

December 17, 1981

Four members of the Red Brigades kidnapped Brig. Gen. James L. Dozier from his apartment in Verona. Gen. Dozier,

deputy chief of staff for logistics and administration for NATO ground forces in southern Europe, became the first non-Italian victim of the Red Brigades. During his 42-day captivity, Gen. Dozier was threatened with "trial" and "execution" for his military service in Vietnam. On January 28, 1982, Italian police raided an apartment in Padua, rescued Gen. Dozier, and arrested five of his captors.

LEBANON

March 10, 1981

A sniper fired on Ambassador John Gunther Dean's motorcade as it passed between the Christian and Muslim sectors of Beirut. One shot struck a tire of a security guard's car; there were no injuries.

May 25, 1981

Following the visit of Egyptian President Sadat to Sudan, rockets were fired at the U.S., Egyptian, and Sudanese Embassies in Beirut. A Lebanese security guard at the U.S. Embassy and an Egyptian consular official were injured.

LESOTHO

September 4, 1981

A bomb exploded outside the U.S. Cultural Center in Maseru. Damage was minor, and there were no injuries.

PERU

August 31, 1981

A bomb exploded outside the U.S. Embassy in Lima shortly after 1:00 a.m., blowing out 115 windows in the front of the building. A second bomb was thrown into the yard of Ambassador Edwin G. Corr's residence, while others damaged the offices of four American businesses. No one was hurt, and no group claimed responsibility for the attacks. ■

Caribbean Basin Initiative Reviewed by Foreign Ministers

Secretary Haig and Ambassador William E. Brock, U.S. Trade Representative, met in New York March 14-15, 1982, with Minister of State for External Affairs Mark MacGuigan (Canada), Secretary of Foreign Affairs Jorge Castaneda de la Rosa (Mexico), Minister of Foreign Affairs Jose Alberto Zambrano Valasco (Venezuela), and Minister of Foreign Affairs Carlos Lemos Simmonds (Colombia) to review the result of the July 1981 consultations begun at Nassau regarding an initiative to stimulate economic and social development in the Caribbean Basin area.

Following is the joint news conference held in the U.N. Plaza Hotel and the joint communique.¹

JOINT NEWS CONFERENCE, MAR. 15, 1982

Secretary Haig. We'd like to use this as an opportunity to review for the press corps the results of our last day and a half of the meetings here on the Caribbean Basin initiative.

This meeting in New York was a further step in the consultation process begun at Nassau in July of 1981. At the time the Foreign Ministers of Canada, Mexico, Venezuela, and the United States committed themselves to address the grave and, in some cases, catastrophic economic and social problems besetting the Caribbean Basin.

Over the past 6 months, there have been additional meetings with the six countries of Central America, as well as the countries of the Caribbean Basin.

On this occasion, at this weekend's meeting, the original Nassau four became the New York five with the addition of our colleague from Colombia to the discussions and to the donor category. We plan as a group to meet again, as the communique indicates, in Caracas, Venezuela, in August of this year to assess again the progress that we have been making in this important collective endeavor.

I would like to just say a brief word about the U.S. approach to this

endeavor which is a departure from traditional U.S. efforts in the foreign assistance area.

It is testament to the fact that now five donor countries can concert together to meet the socioeconomic crisis in the region and to do so in a flexible, understanding, and compatible way. We have mutually agreed to be free to choose the ways in which each donor nation can help in the region.

In the case of the United States, President Reagan's Caribbean Basin initiative will involve a doubling of our economic constructions from previous years, but the truly innovative aspect of the program lies in a longer term trade and investment initiative which we hope will be matched by reciprocal self-help measures on the part of recipient nations.

I think in general I, personally—and I will let my colleagues comment from their perspective—consider this meeting to have been highly successful. The communique itself confirms the unprecedented level of sacrifice made by the donor countries and the high degree of cooperation involved in this project. It is a project that is not focused on promises and rhetoric but on real contributory steps by all of the donor states. One might even single out our Colombian colleague whose government has come to this meeting with commitments, even though Colombia itself in a developmental status, so the sacrifices that it entails are, I think, most laudable.

I think it's important that it is recognized that in this project we've avoided the creation of large bureaucracies or controlling mechanisms which consume resources and energy and have dealt within the framework of our existing governmental structures.

All in all, I think from the U.S. point of view, we can take a great sense of satisfaction. This week, as you know, President Reagan will forward to the Congress the American legislative proposals to implement his approach to the Caribbean Basin initiative. It is clear that, following the President's recent



Secretary Haig holds joint meeting with foreign ministers who support President Reagan's Caribbean Basin initiative. Left to right are Jorge Castaneda of Mexico; Carlos Lemos Simmonds of Colombia; Secretary Haig; William E. Brock, U.S. Trade Representative; and Mark MacGuigan of Canada. Foreign Minister Jose Alberto Zambrano Velasco of Venezuela, not shown here, also attended the meeting.

speech, it has garnered strong bipartisan support, and we are very hopeful that the American Congress will recognize that the United States is now joining a number of donor states which are well along in their commitment and their delivery on those commitments to the pressing problems of the hemisphere.

Q. I would like to ask the visiting foreign ministers, since you have regained freedom of action in your own aid and aid programs, to what extent are your countries willing to aid the economic reconstruction of El Salvador even if the insurrection there proceeds? And to what extent do you share the extreme worry of the United States about that eventuality?

Secretary MacGuigan. I don't think that we are here to answer hypothetical questions, but I can say that my country poses no ideological tests for its aid programs, but we do impose certain practical tests, and one of those, of course, is the safety of any personnel that we might have in the country.

In our recently announced program for Central America—El Salvador—is certainly included, as are the other countries of the region, but we are not presently planning any aid to that country because we are not sure that we could carry out any program planning which we would begin at this time. So essentially it's a pragmatic question for us.

We don't have a theoretical or ideological answer to a question of that kind, but we certainly have a lot of practical concerns. We wouldn't want to give an answer in advance. We'd have to check the circumstances at the time.

Q. Do you share the Secretary's stated concern about that eventuality?

Secretary MacGuigan. I'm giving a press conference at noon. You're welcome to come. I think the conference here really should be on the Caribbean Basin initiative, but if you want to get into Canadian foreign policy, we'll be very happy to discuss it at that time. Canada has certainly supported the election process in El Salvador.

Q. What role will human rights be playing in this Caribbean policy initiative?

Secretary Haig. Clearly, human rights is an essential ingredient of American foreign policy, as it has been from the outset. Human rights value judgments run across the whole spectrum of America's foreign policy at large, and globally, to use that dirty word, as well as in the region.

Q. Is the U.S. ban on aid to Cuba in this plan—is that viewed as holding up a more structured cooperative effort by the donors?

Secretary Castaneda. As you know, in accordance with this Caribbean Basin initiative, each donor country chooses not only the countries to which it gives aid but the manner in which it gives aid. So that the American prohibition for aid to Cuba affects only the United States. It does not affect other countries.

In the case of Mexico, we will, as much as is possible for us—we are a developing country—we do give aid to Cuba, and we have very rich coordinated [inaudible] between the two countries of mutual assistance in the technical field and in the growing field in general. So it does not affect Mexico's participation in this effort at all.

Q. This is a rather impressive array of statesmen from the Western Hemisphere. In political terms what kind of impact do you think this meeting is going to have on your efforts to sell the Caribbean Basin initiative to the American Congress?

Secretary Haig. I think we have Ambassador Brock here who's been leading our charge on this situation and has just recently returned from some of his intensive discussions on it. Bill, why don't you answer the question?

Ambassador Brock. As I said to the meeting this morning, the demonstration of cooperation and the breadth of support, evidenced by the ministers from the several countries here, is essential, I think, to our success in Congress.

We face very difficult economic problems at home, and the fact that this is an effort which is joined by some of our most important friends and allies, it is imperative to its ultimate success, both in real terms and in terms of gaining the support that we have to have to insure congressional passage. I think that prospect is greatly enhanced by this meeting, and I think we're going to have a successful piece of legislation, hopefully in the not-too-distant future.

Q. In view of recent contacts that have been held with Cuba and Nicaragua, can the United States contemplate the possibility of an approvalistic aid or assistance to all those countries?

Secretary Haig. Again, I want to keep the focus of this press conference on the Caribbean Basin initiative. But I think the basic philosophy that's underlying the initiative and our respective approaches to it have been that there are

no automatic exclusions as well as there are no automatic inclusions. The prospects for the future will depend in large measure, from the U.S. point of view, on a number of uncertainties which are yet to clarify. But as they do clarify, clearly such an outcome would be very possible.

Q. The existence of this gathering is in some ways viewed as redundant to the effort and the mission of the Organization of American States. I wonder if, indeed, you consider this to be in any way supplanting or does your organization here indicate the OAS is not capable of handling either these problems or the peace problems in the area?

Secretary Haig. This in no way should be viewed as running counter to the objectives and the functions of the Organization of American States. Indeed, it should be viewed as complementary to their efforts, as well as the efforts of other organizations which have long been in place and which are designed to contribute to the socioeconomic improvement of the region.

Beyond that, I think it's important to recognize that Canada is not a member of the OAS, but it is participating not only actively but as a leading contributor to the developmental needs of the region. So there are no contradictions at all in our efforts here.

Q. In the past, the conduct of many of the multinationals in Latin America has been the cause for suspicion and distrust. How is the U.S. Government going to guarantee, in a sense, the good behavior of the present initiative?

Secretary Haig. It goes without saying that the whole approach of President Reagan has been one which is designed to provide for reciprocity in the sense of not only shaping the American contribution to elicit progress in the socioeconomic spheres in the recipient country but to shape our contribution in conformance with the wishes of the recipient country. Therefore, the answer to your question is that the basic philosophy insures mutual advantage and mutual coordination in the development of the program itself.

Foreign Minister Zambrano. Venezuela is most active in cooperative efforts in the Caribbean, and this interest of our country explains our presence here at this meeting.

However, we have a very clear idea of what constitutes cooperation and what constitutes negotiation. As far as we are concerned, the content of

cooperation is one that allows many and variegated forms of cooperation. It might be very important cooperation, in cooperation of lesser importance, but all of this cooperation must be consistent with the fundamental concept that this is a contribution that one community makes to another community, conscious of its responsibility and of its solidarity. And that these contributions are used for the economic development of those societies and also must contribute to the common good.

In Venezuela, in our particular case, we are making great sacrifices within our own community, and instead of devoting these resources to our own self-interests and our own needs, we are making these contributions to other areas and to other countries in the region. It seems to us that in this sense our cooperation and the cooperation that any country or any private company or corporation might want to make should be done under these principles with submission to these ideals of what we consider is a true cooperation, and then the recipient state is fully free and completely sovereign to use the aid or support in any manner it wishes.

Ambassador Brock. A couple of very important or specific points. If what we do does not result in an opportunity for the individual country to choose its own path, we will have chosen the wrong way to go. If what we do does not result in the development of domestic economic growth, domestically controlled, the program will not succeed.

If you look at the legislation, the kinds of things that we mention as constituting a self-help effort are a pluralistic, democratic process, a free labor movement, the opportunity for individuals and groups of individuals to better themselves within the societal value system of each country as they desire their own program.

I think my own belief is that we have very consciously tried to structure an effort that will deal with precisely the problem you mentioned by letting each country control its own destiny and have the economic growth and the jobs to do so and to maintain a pluralistic, democratic society in the process.

Q. I would like to ask why Colombia might think that this would be different from previous aid programs in the past, and why Colombia, as a developing nation in need of economic assistance itself, chose to become a sponsor?

Foreign Minister Lemos. I shall reply, addressing myself to the last part of your question first. Colombia, though it is a developing country and, as such, it needs assistance, feels, however, that it has reached a level of growth which, though it might not be as great as other larger countries such as the United States, Canada, or some other industrialized country, is greater than that of other nations in the same Caribbean Basin area.

Therefore, we considered that we should share what we do have with some of the less developed nations in the area.

Yesterday I stated that one would not have to be opulent to feel that one should express a feeling of solidarity for other nations in the area. Colombia feels a need to show this solidarity and make its contribution toward the economic development of other countries because we feel that economic balance is a precondition to political balance and well-being.

Colombia has made great efforts in terms of its own capabilities, and we would hope that our initiative would constitute an example for other countries which might be richer and yet are less generous. This is what has led Colombia to join a common effort of the Nassau four and has led us to offer our help. And, as we have heard here yesterday the result of the initial efforts has already been splendid, and we hope that this effort will imbue some dynamism and some hope to the countries of the area.

JOINT COMMUNIQUE, MAR. 15, 1982

Secretary of State for External Affairs MacGuigan of Canada, Secretary of Foreign Relations Jorge Castaneda of Mexico, Secretary of State Alexander M. Haig of the United States of America, Ambassador William E. Brock, United States Trade Representative, Foreign Minister Jose Alberto Zambrano Velasco of Venezuela, and Foreign Minister Carlos Lemos Simmonds of Colombia met in New York on March 14-15, 1982 to review the results of the consultations begun at Nassau on July 11, 1981 regarding an initiative to stimulate the economic and social development of the Caribbean Basin area.

The Ministers noted that since that time extensive discussions had been held with the governments of countries in the Caribbean

in area, with other interested governments and with international financial institutions, both on a bilateral basis and at international meetings. They emphasized that their governments' efforts would continue to take account of the national plans and priorities of the countries of the Caribbean Basin and their own capacities to assist these countries.

On the basis of these consultations, the Ministers stressed that dynamic and balanced social and economic development in the countries of the Caribbean Basin area is essential, not only for the welfare of the people in the area but also for the peace and prosperity of the entire hemisphere. They agreed that the socio-economic problems which face the countries of the Caribbean and Central America are critical and in many cases are becoming more serious. The Ministers underlined that economic and social development could not be achieved by programs of cooperation without military considerations or political conditions. They stated that each country in the Caribbean Basin could benefit from economic cooperation and that, at the same time, donor countries must be free to choose the countries with which they cooperate, and the ways they can best cooperate. The Ministers agreed that general economic development could be stimulated through, inter alia, public financial development cooperation, trade and investment, both public and private.

The Ministers took note of the individual programs of each of the participants as described below:

Canada's Secretary of State for External Affairs explained that Canada has already embarked on a five-year expanded program of economic development cooperation with the English-speaking Caribbean and also with Haiti, the Dominican Republic and the countries of Central America, at a value of over one-half billion dollars. Canadian tariff treatment currently provides duty free or preferential access to the Canadian market for some 98 percent by value of all exports from the Caribbean Basin area to Canada. In the context of the Canada/CARICOM [Caribbean Community] Joint Trade and Economic Agreement of January 1979, Canada is already engaged with the Commonwealth Caribbean in a wide range of programs to promote regional integration, industrial development and cooperation between Canadian and Caribbean private sector organizations. Canada has recently established PetroCanada International to assist oil-importing developing countries, including those in the Caribbean Basin area, to reduce or eliminate their dependence on imported oil.

The Foreign Ministers of Mexico and Venezuela advised the meeting that their countries are continuing their cooperation with the countries of the Caribbean Basin area, under the San Jose Declaration of

Presidents Lopez Portillo and Herrera Campins, which assures supply of oil for internal consumption and provides long-term concessional credits for government development projects. This program, valued at over \$700 million per year, is of great benefit for the countries of the area, enabling them to fulfill better their national development priorities.

Mexico's Foreign Minister described Mexico's ongoing development cooperation projects with the countries of the area. In addition to the San Jose agreement, he mentioned specifically the system of trade facilities with the Central American countries, which will be broadened to Caribbean countries, preferential credit lines, currently at \$68 million to the central banks of the area, Mexico's membership in the Caribbean Development Bank and its participation in the special program for soft-loans to Caribbean less developed countries, its active role in various regional multinational government enterprises and its broad programs of bilateral technical cooperation with countries of the region, which now include 308 specific projects.

The Foreign Minister of Venezuela advised that the Government of Venezuela has traditionally cooperated in solidarity with the countries of the area, based on principles of international social justice, and has provided even more significant cooperation since 1974 through programs of financial support (more than US \$2.5 billion in the last five years). He mentioned particularly the creation of a special fund for the Eastern Caribbean that provides highly concessional financing for balance of payments and development projects. He mentioned also the establishment of technical and technological assistance in the commercial, agricultural, educational and cultural areas which are aimed at contributing to the total development of the human and physical resources of the countries in question, and thereby to their democratic, political, economic and social development.

The United States described its program of integrated and mutually reinforcing measures in the fields of trade, investment and financial assistance, which President Reagan announced on February 24.

The following measures are being submitted to the United States Congress. In trade, a key feature will be the elimination of duties on imports from the Caribbean Basin, with the exception of textiles and apparel which are subject to textile agreements. Investment will be spurred by granting United States investors in Basin countries the same ten percent tax credit as is available for investment in the United States. A requested \$350 million supplemental appropriation for the region in fiscal year 1982 will address critical short-term economic problems of the region, and bring total concessional economic assistance there in fiscal year 1982 to \$825 million.

In addition to these legislative requests, measures within the discretion of the President will include: a) favorable treatment for Caribbean Basin textiles and apparel exports, within the context of the overall United States textile policy; b) expanded short-term credit guarantees by the United States Export-Import Bank; c) willingness to negotiate bilateral investment treaties; and d) a program to enhance the role of Puerto Rico and the United States Virgin Islands in the development of overall prosperity in the region.

The Colombian Minister of Foreign Affairs stated that for some time his country has been actively cooperating with the countries of the Basin and, in that respect, welcomed the opportunity to join the nations which met in Nassau in their effort to resolve the economic and social problems of the region.

He described the Colombian contributions to the Caribbean Development Bank amounting to \$16 million and the existing credit lines and deposits of \$42 million. He explained that the Colombian Government has now decided to initiate the following measures: (1) creation of a special fund for technical assistance to be provided by official agencies with resources up to \$50 million; (2) granting of new credit lines up to \$10 million per country; (3) establishment of additional time deposits for the financing of balance of payments deficits; (4) reciprocal credit agreements with the countries not yet covered; (5) establishment of a trust fund for projects in the less developed countries of the Eastern Caribbean; (6) preferential trade agreements within the context of the Latin American Association of Integration (ALADI); (7) improvement, in cooperation with other countries, of sea and air transportation systems.

The Ministers expressed their deep satisfaction with the ongoing economic cooperation in the area. They agreed that the announced economic program of the Government of the United States of America could make a significant contribution to the region's development, and expressed their hope that these measures would be implemented as quickly as possible.

The Ministers welcomed the decision taken by Governments of the area to be involved actively in the formulation of regional development plans. In this regard, the Ministers stressed the importance of existing institutions for consultation and coordination regarding economic and developmental needs and priorities in the Caribbean region. They noted the efforts being made to develop a coordinating group for Central America and hoped there would be an early and positive result from this exercise.

The Ministers expressed satisfaction that, within the region, other countries were participating in the development process. In this connection, they welcomed the substantial financial assistance provided by Trinidad and Tobago in the area. They also noted that other countries outside the area were also responding to the region's pressing needs.

The Ministers concluded that the effort begun at Nassau had been successful in focusing greater attention on the critical need for increased economic development assistance, cooperation and coordination in the Caribbean Basin area and they affirmed their political will to continue their efforts to implement their respective national cooperation programs in the area as quickly and effectively as possible. The Ministers also reaffirmed

their view that promotion of peace, stability and economic development in the Caribbean Basin area is equally important to the broader world community and they appealed to other nations of the hemisphere and the world to contribute toward that objective.

The Ministers agreed to continue consultations with other governments with a view to inviting senior officials of interested countries and multilateral economic organizations to an ad hoc meeting to encourage greater cooperative efforts for economic and social development of the region.

They also agreed to meet again in August in Caracas, Venezuela to examine jointly the progress which has been achieved.

¹Press release 101 of Mar. 18, 1982. ■

U.S.-Jamaica Barter Agreement

WHITE HOUSE ANNOUNCEMENT, FEB. 25, 1982¹

Today, the United States completed its arrangement of November 24, 1981, to procure 1.6 million tons of Jamaica bauxite for the U.S. strategic stockpile. The agreement, which was signed today by representatives of the U.S. and Jamaican Governments in Jamaica, will benefit both countries as it stimulates the growth of Jamaica's private sector. The United States will receive needed bauxite for our strategic stockpile. Bauxite is the raw material used to produce aluminum, a major element in almost all modern military weapons, such as the F-15 fighter aircraft and the B-1 bomber.

Jamaica, in return for its bauxite, will receive approximately \$39 million in needed foreign exchange plus about 7,000 metric tons of nonfat dry milk and 1,900 metric tons of anhydrous milk fat valued at \$13 million. These dairy products are part of the agricultural barter

aspects of this bauxite procurement, and they represent the first use of agriculture barter to acquire strategic raw material in almost 15 years. The other portions of bauxite will be procured by direct cash payment, as well as exchange with excess stockpile material no longer needed because of the changing requirements of technology. The procurement will be accomplished under current budget allocations.

This program, developed during the first year of the Reagan Administration, is directly supportive of U.S. policy toward the Caribbean Basin announced by the President yesterday. The program also demonstrates that trade programs between the United States and Caribbean countries are mutually beneficial as will be the aid, trade, and investment aspects of the Caribbean Basin initiative.

¹Text from Weekly Compilation of Presidential Documents of Mar. 1, 1982. ■

Secretary Meets With Mexican Foreign Minister

Secretary Haig was in New York March 6-7, 1982, to meet with Mexico's Minister of Foreign Relations, Jorge Castaneda de la Rosa.

Following is the Secretary's news briefing held in the U.N. Plaza Hotel on March 6.¹

I want to just briefly review the character of the discussions I've had with Foreign Secretary Castaneda of Mexico and then submit myself to your questions.

I want to emphasize that this is the first occasion that I've had to discuss with Secretary Castaneda the recent proposals of President Lopez Portillo the Central American crisis and the proposals that he made recently in a speech at Managua.

I used the occasion to thank Secretary Castaneda for Mexico's warm support for President Reagan's Caribbean Basin initiative—support that was prompt and forthcoming following the President's recent speech. We used the occasion to have a wide *tour de horizon* of global and regional questions and, most importantly of course, the situation in Central America. During the meeting I had an opportunity to hear firsthand and in detail from the Secretary Mexico's peace plan for the Central American region. We talked about current U.S. relations with Nicaragua, Cuba, in light of President Lopez Portillo's proposals, and I reiterated the necessity for both to stop arming insurgents in the hemisphere.

As you know, one area of concern we had with our understanding of President Lopez Portillo's proposals was the failure to grapple very directly with the issue of Nicaraguan involvement in El Salvador. We had an opportunity to discuss this at length and to review possible modifications to the Mexican approach.

I visualize in the period ahead the discussions will continue. For example, we will meet again next weekend here in New York with Secretary Castaneda. Of course, expressed our hope that the Mexican Government will support the elections in El Salvador later this month.

We discussed in some detail next week's meeting of the Nassau four

associated with the Caribbean Basin initiative. After many meetings with Mr. Castaneda, starting with the very first period of President Reagan's administration—and, incidentally, I want to emphasize that I spoke to the President in California this morning just before this meeting, received his assurance on the position that we would take with respect to the Mexican proposals, and they were, of course, reflected in my discussions.

As is always the case, I have developed a very close and I think frank and constructive relationship with Mr. Castaneda, as has President Reagan with President Lopez Portillo. We very much appreciate the relationship that has been established between our two governments even though on some issues we differ, not the least of which is the issue I just discussed with respect to interventionism.

I do feel that our meeting resulted in a greater convergence of views on this very difficult subject, and I look forward to continuing these discussions in the period ahead with the view toward finding a solution to this very dangerous—and increasingly so—problem.

Q. Commander Wheelock, a member of the Council of the State of Nicaragua, is in town, and he reiterated in Washington 2 days ago his willingness to meet with the State Department to go over the peace plan and their problems. Can you respond to that offer?

A. I think it's too early to say. I do want to emphasize that we made some proposals as early as last August to the Government of Nicaragua with the view toward arriving at negotiated settlement of the difficulties in the region.

Some of the aspects of that proposal were contained in President Lopez Portillo's Managua speech. The area that concerned us the most was the one that did not address in specific terms Nicaraguan involvement in El Salvador which we feel is an essential and primary aspect of a negotiated solution.

After those initial discussions by Mr. Enders [Thomas O. Enders, Assistant Secretary for Inter-American Affairs] in Managua in August, we communicated some further details to the Government of Nicaragua. Unfortunately, the response we received was neither encouraging nor forthcoming.

Dependent on how the talks go with our Mexican friends, and perhaps next

weekend in the period following that, we'll see where they lead.

Q. If the Mexicans work in some phraseology that would accommodate what you regard as critical—the cessation of the flow of arms to the El Salvadoran guerrillas through Nicaragua—would the United States then be prepared to pick up the Mexican proposal of looking for a negotiated solution?

Does your very presence here and your meeting with the Foreign Minister of Mexico indicate a desire at this point on the part of the Administration to try to find a way out of the El Salvador crisis through a negotiated solution?

A. Let me suggest to you that it has been the policy of the U.S. Government from the outset of this situation to attempt to find solutions which would be the product of peaceful negotiations. Let there be no doubt about that. That has been the underlying premise of everything the President has done.

With respect to the details you asked about in the Lopez Portillo plan, I think it's too early to say beyond the general observation that the exchanges we had here this afternoon were encouraging and brought that process forward. In other words, they were positive. But there are still many uncertainties that have to be refined, and I don't think the place to refine them is in the public venue.

Q. Mr. Guiterrez, the Nicaraguan who is now in the Mexican Embassy in El Salvador, is he or is he not an agent who was assisting the rebels?

A. I think there's been a number of statements made, and I understand one made at 1:00 o'clock today by the Salvadoran President—President Duarte—on this subject, and I'd just as soon let those statements stand and run their course.

Q. Did you discuss with Mr. Castaneda the status of this person who you pointed out as being evidence—

A. We had an exchange of views on it, and, as I say, a great deal has been said locally. Since the local authorities—those on the ground, whatever their point of view—seem to be the most knowledgeable, I would leave it right there.

Q. You said before Congress, though, that he was an agent, he was aiding the rebels. Is that true or not?

A. I said we had the report that there was a Nicaraguan involved in the insurgency in El Salvador and that he had been captured. And that is true.

Q. Is that report false, though, now?

A. No. I believe it is true.

Q. Did you know at the time on Thursday that this gentleman—the Nicaraguan or the student, rebel, or whatever—had already escaped, or had that not yet been brought to your attention?

A. I think the circumstances—and whether you would describe it as escape or whatever—I will leave to those who were on the ground, eyewitnesses. I think there was some further information put out on that today, and I'm sure there will be in the days ahead.

Q. The fact that the Mexican Government is currently harboring this man, as you have pointed out as the Nicaraguan infiltrator, certainly we can take that as evidence that we and the Mexican Government are very far apart on any sort of agreement with regard to this issue, aren't we.

A. With regard to what issue?

Q. With regard to how to solve the crisis in El Salvador if you take as evidence the fact that you can't even seem to agree with the Mexicans on who this man is or what he is.

A. Wait a minute. That's your interpretation of the situation; it is not mine. As I say, this is a question for the Salvadoran authorities—who are involved in the capture of this fellow and the Mexican authorities who have given him refuge—to clarify in the hours and weeks ahead, and I'm sure they will.

Do not always assume that events of that kind represent full cognizance by the authorities involved on either side. Just let the facts shake out.

Q. Senator Byrd had a press conference today and called for advance congressional approval before any troops were sent to El Salvador. What's the Administration's view on that resolution that he is going to propose on Monday?

A. I wasn't aware of it. I think we have a War Powers Act which is a very, very impressive and rather complete set of constraints on the executive branch with respect to the deployment of U.S. combat forces anywhere in the world.

But I do not find it particularly relevant because, as I have said and as the

President has said repeatedly, there are no plans—I know of no one in the executive branch who's made such proposals—that would involve the direct intervention of American forces in this hemisphere.

Q. As I understand what the Mexicans are saying, their number one priority is for more talking between the United States and Cuba which they feel is basic to the settlement of the problem in the region. There was one meeting between you and a Cuban official in Mexico City. Are you willing to take the discussions between the United States and Cuba further, either using Mexico as an intermediary or without an intermediary?

A. I think it's clear from the fact that the President initiated the talks that took place between the Vice President and myself in Mexico City, that his policy—as it has been in the Polish crisis as well—is to maintain communication and contact. Indeed, in times of crisis and increased tension, such communication becomes more, rather than less, important. I don't see any change in that policy of President Reagan in the weeks and months ahead.

I haven't answered your question, and I'm not going to. I don't mean to be cute; I just think the way and how communications will be conducted are matters which are best left without a lot of public hoopla.

Q. There are a number of Congressmen and other officials in the United States who have said that your charge of Nicaraguan and Cuban involvement in El Salvador is cover for the continued aid of the Reagan Administration for the junta. Can you offer any shred of evidence of the Nicaraguan arms shipments and Cuban involvement?

A. I think I again would refer you to the very knowledgeable statements—and they were bipartisan statements—made by the representatives of the Senate and the House Intelligence Committees who were briefed this past week on this subject—in the case of the Senate, it was Senator Goldwater, and I think in the case of the House, Representative Bolen, a Democrat—that this evidence was substantial and persuasive.

Q. Can you tell us what it is?

A. What would you do with it?

Q. You told House Appropriations Subcommittee the other day you were releasing some information soon to

back up the U.S. accusations regarding Cuban involvement and Nicaraguan involvement. Is that still coming? Will that be made public soon?

A. We're preparing a briefing now, and I looked at the dry run of it yesterday and felt that it needed some improvement. I hope it will be delivered by Wednesday of next week, possibly as early as Tuesday—maybe even Monday.

I want to see it again. I want to be sure that Mr. Casey [Director of Central Intelligence] and the Director of the Defense Intelligence Agency are very comfortable that we are not subjecting sources that must be preserved to undue risk, and I think you know this is the responsible position that we must take. It not only involves the future viability of our ability to acquire necessary intelligence, but in some instances it can involve the lives of participants.

Q. One of the things the Salvadorans have said, and you've referred us to them now, is that there are camps located in Mexico where training is going on for rebels in El Salvador. Is that true?

A. I'm not going to add any more to that situation other than to point out that the Salvadoran Government has a viewpoint and evidence to support it, and I'm sure the Mexican Government has its own point of view, and let's let that speak for itself.

Q. You've referred to it—

A. I'm not going to intervene in it, other than to tell you, as I did, that there was such an event and that there's a great deal to substantiate the validity—

Q. Could you at least—

A. I have no question. I'm not self-conscious about what I said on it, and I'm not apologetic for it. I believe it is absolutely correct.

Q. There are figures—

A. No, I made no reference to subject, and I'm not going to.

Q. You did or did not?

A. I did not, and I will not.

Q. At the outset, this Administration gave a very cool response to the Mexican President's proposal. Now you seem to be going about it much more seriously. What is it that has represented or produced this change in attitude on the part of the Administration? Or is it that the Administration finds itself in such a fix

in El Salvador that the Mexican proposal may be indeed a sought-after way out of the crisis?

A. Not at all. In the first place, I don't accept the premises with which you introduced your question which are subjective judgments on your part and not factual, if you don't mind my being as obnoxious as you were with your question.

Let me say that from the outset we have been in very close touch with the Mexican Government on the situation in El Salvador and the very worrisome trends in Nicaragua. I do not describe our response as cool. I don't give a judgment to our response in terms of qualitative judgments. We did point out that we felt the proposals as we understood them were inadequate, especially with respect to the issue I just touched upon. We continue to believe that. That is why it was important and valuable to discuss these proposals firsthand as we did today.

In that process I think both sides learned something, as is always the case when well-meaning people, attempting to solve problems rather than create them, sit down and talk in a cordial, constructive atmosphere. And that was the result of today's discussion.

Q. If you could strike a closer meeting of the minds on this proposal—say after next weekend's talk with the foreign minister—does the Mexican proposal's central offer of a negotiated solution between the two sides—

A. It's too early to say. But let me assure you that President Reagan's intention is to explore every avenue that could lead to a successful and appropriate peaceful resolution to the situation in Central America. To do otherwise would be irresponsible and that includes exploring the Mexican initiative in depth and continuing on exploring the initiatives which we have been considering for an extended period of time. We haven't reached the point of those assessments that I can answer your question as definitively as you would prefer.

Q. Secretary Enders has said that the United States opposes direct negotiations between the Duarte government and the leftist opposition. Is that still U.S. policy?

A. It has never been U.S. policy to oppose negotiations between the Government of El Salvador and the guerrilla leaders. What we have opposed is negotiations which, *a priori*, would have

objective, without an expression of will of the people of El Salvador, to set up political power.

We have urged negotiations which would permit the guerrilla leadership to enter in the electoral process—self-termination of the people of El Salvador—and that happens to be precisely the view of President Duarte. We have added a condition that such negotiations cannot be conducted while looting and terrorism continue, and I think that is a very acceptable, prudent, understandable condition.

Q. You said previously that you hoped that the Mexican Government would support elections in El Salvador. Is that realistic, considering last year's French-Mexican communique on El Salvador rejecting elections as a viable solution and recognizing the opposition as a representative force in El Salvador?

A. I'm not sure I understand what you're saying.

Q. Whether it is realistic for you to hope that Mexico will support elections in El Salvador after the joint French-Mexican communique of last year criticizing elections or describing elections as not being a viable solution.

A. I think it's one thing to have an attitude with respect to the potential benefits of a process and another to support the process itself. I think the governments of the hemisphere—a large number of them, especially those in the Central area—rejected the French-Mexican proposal. We did too; we were not comfortable with it.

But that time has passed and we are at another point in time in a dynamic situation. My expression of hope that they will support the election is simply what it says.

Q. Did anything else happen as a result of your talks today? Presumably you take their proposal back to Washington and Foreign Minister Castaneda the same. But do the Mexicans go to any of the other parties involved with American thoughts or proposals, or is it intragovernmental at this point?

A. We're not dealing bilaterally with the Mexican Government in an exchange of views on ideas they have to bring progress. We have been conducting our own discussions, as I pointed out earlier, and it's too early to say where we will go from here.

Q. The Mexican Government fundamentally disagrees on one specific point—U.S. aid to El Salvador. I understand the Mexican Government has come out strongly opposed to any more U.S. military aid. Are you accepting this from the foreign minister?

A. We have discussed the full range of issues associated with the Nicaraguan question, the Salvadoran question, and the Cuban question. I don't think it serves any purpose for me to lay out in detail how both of us come to these various problems, other than to say that we had a very constructive and, I think, valuable exchange.

Q. What was the foreign minister's reaction to what I presume would have been your proposal to broaden the Mexican proposal to include a call for a ban on arms being transshipped through Nicaragua to the rebels?

A. I would prefer to let my statement stand, which suggested that we had a constructive discussion and modifications and add-ons, and different approaches were discussed that might offer some hope for progress.

Q. In President Lopez Portillo's proposal, one of the main points suggests that Nicaragua and the United States should sign a pact of non-aggression. Did you discuss that with Mr. Castaneda?

A. We discussed the full range of President Lopez Portillo's speech in Managua—every one of the details—and that was one of the details, yes. Everything that was in that speech was discussed.

Q. Do you have a comment to that?

A. Not yet. All of these things that would go forward that might constitute a viable negotiating proposal are inter-related, and any one of them draws its character from those alongside of it. I have said that the *sine quo non*, if you will, of potential normalization of relations between the United States and Nicaragua involves the cessation of their intervention in neighboring states.

¹Press release 87 of Mar. 8, 1982. ■

Secretary Meets With Central American Foreign Ministers

SECRETARY'S STATEMENT.
MAR. 25, 1982

The foreign ministers of Costa Rica, Honduras, El Salvador, and I have reviewed the political, economic, and mutual security concerns which led these three countries to form the Central American Democratic Community. The United States strongly supports this common effort to defend and strengthen democratic institutions in the region.

Foreign Ministers Niehaus [Costa Rica], Paz Barnica [Honduras], and Chavez Mena [El Salvador] have also described for us the economic problems confronting their countries. These problems are critical and must be attacked immediately. We believe that President Reagan's Caribbean Basin initiative program is an essential U.S. response to this economic crisis. It will provide emergency assistance and, through its trade and investment initiatives, help to lay the foundations for sustained economic progress. I am confident that the Congress and the American people will support the President's proposals and that the Caribbean Basin initiative, which includes the efforts of Canada, Colombia, Mexico, and Venezuela, can begin to resolve the underlying problems of social inequity and economic deterioration in the region.

In our discussions today, we reaffirmed our common interest in a Central America in which basic political and economic decisions are made by Central Americans within democratic, pluralistic political systems. We share concerns about the military buildup in the region, which is not only destabilizing but which also diverts scarce resources from the urgent tasks of economic and social development.

I stressed to my colleagues the firm support of the U.S. Government, on behalf of President Reagan, for the constituent assembly elections in El Salvador as an essential step toward the establishment of a democratic system in

that troubled country. We support elections and the popular participation inherent in them—not the so-called negotiating proposals of the extreme left which would divide political power over the heads of the Salvadoran people. Sunday's elections and the work of the constituent assembly—which will lead to elections for a president and a national assembly—will strengthen democracy in El Salvador and provide the means for resolving political conflict.

As you know, we have repeatedly expressed our willingness to facilitate contacts among the various political elements in El Salvador to achieve the broadest possible participation in the electoral process—a process which is only beginning. We remain ready to do this, now and in the period ahead.

Six political parties representing a broad political spectrum are now deeply engaged in the elections. Thus far, however, the extreme left has not only refused to participate but has mounted a major effort to use violence and intimidation to disrupt the March 28 elections. We know that the guerrillas will try to intensify this campaign of terror in the next few days. We are confident of the ability of the Government of El Salvador to repulse these efforts and to carry out the elections in a fair and in a conscientious manner.

U.S. support for the basic principles of democratic development and social and economic justice is constant. We consider it essential that whatever government emerges in the Salvadoran elections be committed to the same principles. We will look to it to carry forward the advances made by the current government with respect to land reform, the creation of democratic institutions, the restoration of rule of law, and the elimination of human rights abuses by the left and the right. In this regard, we place particular emphasis on the need for the prompt prosecution under due process of those responsible for the killing of the American churchwomen and labor advisers in El Salvador.

The United States will continue to support the Salvadoran struggle against Cuban and Nicaraguan backed guerrillas because we believe that power gained and maintained at gunpoint fosters violence and lawlessness. The enemies of the democratic process, individual liberties, and human rights are strengthened. My colleagues and I share the desire for a Central America free of these enemies. ■

Cuban and Nicaraguan Support for the Salvadoran Insurgency

There has been a lot of debate and controversy about Cuban and Nicaraguan support for guerrillas in Central America, particularly in El Salvador. This paper summarizes the overall pattern as it now stands; it was made available to the press on March 20, 1982.

This paper does not contain the sensitive intelligence that we have provided to congressional committees and to a number of distinguished Americans. They have expressed their views. We cannot make this intelligence available publicly. Were it to be released, the U.S. Government would lose access to critical information and might well risk the lives of some brave people who believe it is important that the Government of the United States know what is going on. A government that does not keep secrets does not receive them.

The purpose of this paper is, thus, not to produce new revelations but to describe the general pattern of outside support for El Salvador's guerrillas, including arms supply, training, and command and control. Some of this information came from classified sources, but much of it can be obtained by careful analysis of public sources. The cumulative weight of this information makes clear that the guerrilla movement in El Salvador receives vital assistance of many kinds from an international infrastructure outside El Salvador.

In what follows, the following themes should be kept in mind.

- *Although much of our most recent information is so sensitive that it cannot be provided to the general public, it is consistent with patterns of guerrilla activity and foreign support evident for 2 years and more. A clandestine support system, established in 1978 at the time of the Nicaraguan civil war, continued to operate after the fall of Somoza in July 1979 with a new final destination—El Salvador. Cuba played a major role in developing this support system and remains its key link.*

- *The existence of this support system—initially identified by the Carter Administration—has been repeatedly and rigorously denied by Nicaraguan and Cuban spokesmen. Yet a considerable quantity of solid information shows that those denials are false.*

- *Many elements of the pattern have been repeatedly confirmed by independent researchers and journalists who have gone into the field to investigate the actual situation on the ground. Confirmation has come from as far away as Lebanon and Vietnam.*

- *In assessing the situation in El Salvador today, one should pay attention to the nature of the guerrilla movement. To this end, we are making available a brief history of the organization and evolution of the Salvadoran insurgent movement.*

The Pattern

Outside backing for the insurgency in Salvador has taken many forms. Before the unification of El Salvador's violent left, Cuban support to its elements involved political and some military training, modest financial aid, and serving a link between Salvadoran extremists and Communists outside the hemisphere. During the Nicaraguan civil war, Cuba concentrated on support for the Sandinistas. After the fall of Somoza, Cuba began intense efforts to help pro-Cuban guerrillas come to power in El Salvador.

The pattern of outside support is tripartite but has three major components—external arms supplies, training and command and control.

External Arms Supplies. Within weeks after the fall of Somoza in July 1979, the Sandinistas began to cooperate with Cuba in support of the Salvadoran extreme left by establishing training camps and the beginning of arms supply networks. This clandestine assistance initially involved local black markets and relatively limited resources. In 1980, after meetings in Havana had unified Salvadoran Marxists into a single military command structure, the Sandinista leadership agreed to serve as a conduit for an arms trafficking system of unprecedented proportions, originating outside the hemisphere. That structure remains in force today.

Arms and ammunition for the Salvadoran insurgents reach Nicaragua by ship and occasionally by direct flight from Havana to Nicaragua. Three Nicaraguan ships—the *Monimbo*, the *Aracely*, and the *Nicarao*—frequently

transport arms and ammunition to Nicaragua from Cuba in their cargo, as Cuban and other vessels. These military supplies remain stockpiled outside El Salvador until guerrilla headquarters near Managua arranges for their shipment into El Salvador. The timing of the resupply operations appears to be coordinated with the planned level of fighting, since before each surge in the fighting, we have detected large deliveries.

Here are some concrete illustrations of the arms flow.

- The Papalonal airfield provides a clear case of the direct airlift of weapons from Nicaragua to guerrillas in El Salvador. Papalonal is a commercially developed area 23 nautical miles northwest of Managua. The airfield is accessible only by dirt roads. Information on Papalonal has not been released heretofore because of the sensitivity of the methods by which it was acquired. Late July 1980, the airfield was an agricultural dirt airstrip approximately 1,200 meters long, but by early 1981 the strip had been lengthened by 50% to approximately 1,800 meters. A turnaround had been added to each end. A dispersal parking area with three hardstands—a feature typical of a military airfield—had been constructed at the west end of the runway. Three parking aprons had been cleared, and six hangar/storage buildings, each about 15 meters wide, had been constructed on the aprons. Hangars were to stockpile arms for the Salvadoran guerrillas. (These hangars resembled those at major Cuban airbases, and our sources confirmed Cuban involvement in the construction.) C-47s fly from the airbase, confirmed by photographic evidence, corresponded to sightings in El Salvador, and several pilots have been identified in Nicaragua who regularly flew the route to El Salvador. This particular route was closed down by March 1981, but the air infiltration continues to this day, despite difficulties in pilot recruitment.

- Weapons delivery by overland routes from Nicaragua passes through Honduras. Several examples of this traffic can be identified. Honduran authorities have intercepted various shipments of arms enroute from Nicaragua and in concealed caches in Honduras. In early January 1981, for example, Honduran police caught six individuals unloading weapons from a truck enroute from Nicaragua. The six

identified themselves as Salvadorans and as members of the International Support Commission of the Salvadoran Popular Liberation Forces (FPL). They had in their possession a large number of altered and forged Honduran, Costa Rican, and Salvadoran passports and other identity documents. This one truck contained over 100 M-16/AR-15 automatic rifles, fifty 81mm mortar rounds, approximately 100,000 rounds of 5.56mm ammunition, machine gun belts, field packs, and first aid kits. Over 50 of these M-16/AR-15 rifles were traced to U.S. units assigned to Vietnam in 1968-69 and which were left in Vietnam when U.S. troops departed.

- In April 1981, Honduran authorities intercepted a tractor-trailer truck which had entered Honduras at the Guasule crossing from Nicaragua. It was apparently heading for Guatemala. Ammunition and propaganda materials were hidden in the sidewalls of the trailer. The same arms traffickers operated a storehouse in Tegucigalpa, Honduras, with a false floor and a special basement for storing weapons.

- Costa Rica also has been a staging area for arms shipments to El Salvador. A special legislative commission, established in June 1980 by the Costa Rican legislature, confirmed that the Cubans had established a clandestine arms-supply link between Costa Rica and Nicaragua during the Nicaraguan civil war and that link continued to function between Costa Rica and El Salvador once the Sandinistas had come to power in Nicaragua. After the Nicaraguan civil war was over, according to the Costa Rican commission's report issued in May 1981, "arms trafficking, originating in Costa Rica or through Costa Rican territory, [began] toward El Salvador, indirectly or using Honduras as a bridge."

- In April and July 1981, Guatemalan security forces captured large caches of guerrilla weapons at safehouses in Guatemala City. Traces made on the serial numbers of individual U.S.-manufactured weapons revealed that 17 M-16/AR-15s had been shipped to U.S. units in Vietnam in the late 1960s and early 1970s and left behind. Several of the vehicles captured at the Guatemala City safehouses bore recent customs markings from Nicaragua, thus suggesting that the operation was part of the well-established pattern.

(Note: When a clandestine shipment of arms is captured or a safehouse is

found containing arms and terrorist supplies, it is often impossible to know with certainty whether the ultimate recipients are Guatemalan, Honduran, Costa Rican, or Salvadoran terrorists, since the arms supply networks established by Cuba and Nicaragua are funneling lethal military supplies to terrorists and guerrillas in all four countries, using the same clandestine smuggling techniques and routes.)

Training. Cuban and Nicaraguan political and military training create the basic framework for the use of the arms by the guerrillas within El Salvador. Nicaragua and Cuba coordinate training efforts, with Cuba providing key specialized training.

Since at least mid-1980, Salvadoran guerrillas have been trained in Nicaragua. The Sandinistas have trained Salvadoran guerrillas in military tactics, weapons, communications, and explosives at temporary training schools scattered around the country and on Sandinista military bases. At several military sites in Nicaragua, Salvadorans receive training under guidance from Cuban and other foreign advisers. For more specialized training, guerrillas transit Nicaragua for Cuba. The Managua-Havana air shuttle link is in daily operation, and the increase in traffic has reached the point where a ticketing system is now required. Guerrillas are provided false identity documents to help them transit third countries. The Cubans are training guerrillas in sabotage and demolition efforts and reinfiltrating them through Nicaragua back into El Salvador. This training in Nicaragua and Cuba has increased the tactical skills of the guerrillas in El Salvador. Guerrilla operations—such as the attacks on Hopango airport in January 1982 and on the El Oro bridge in October 1981—were clearly performed by trained saboteurs.

A Salvadoran guerrilla, Santo Salome Morales, reported when he defected in Honduras in September 1981 that he and 12 others went from El Salvador to Nicaragua via a point near the Gulf of Fonseca in May 1980. From Managua they proceeded to Cuba where they received extensive military training, together with over 900 Salvadorans. Morales said he was trained in underwater demolition.

The link between training and the regional infrastructure behind guerrilla activity is evident in information obtained following a raid late last year by the Honduran police on a safehouse for

the Morazanist Front for the Liberation of Honduras (FMLH). This organization was described in an October 1981 interview in the progovernment Nicaraguan newspaper *El Nuevo Diario* by "Octavio," one of its founders, as a political-military organization formed as part of the "increasing regionalization of the Central American conflict." The raid took place on November 27, 1981, in Tegucigalpa, and while the Honduran police were attempting to search the house, a firefght broke out. The police ultimately captured several members of this group. This cell of the FMLH included a Honduran, an Uruguayan, and several Nicaraguans. The captured terrorists told Honduran authorities that the Nicaraguan Government had provided them with funds for travel expenses, as well as explosives.

Captured documents and statements by detained guerrillas further indicated that the group was formed in Nicaragua at the instigation of high-level Sandinista leaders; the group's chief of operations resided in Managua; and members of the group received military training

in Nicaragua and Cuba. The documents included classroom notebooks from a 1-year training course held in Cuba in 1980. Other captured documents revealed that guerrillas at one safehouse were responsible for transporting arms and munitions into Honduras from Esteli, Nicaragua.

Training programs in Nicaragua are continuing. A Salvadoran terrorist, Jose Roberto Marroquin Acevedo, was arrested in Costa Rica on January 29, 1982, in connection with an attempted kidnaping of a Salvadoran businessman. He told Costa Rican police that he was affiliated with a Salvadoran guerrilla organization, which had sent him to Nicaragua where he and other terrorists were provided with false identity documents to enter Costa Rica. In the presence of his defense attorney Marroquin told a Costa Rican court on February 4 that he "received military and political training" during the several months he spent in Nicaragua.

Command and Control. The military forces of the Farabundo Marti National Liberation Front (FMLN) guerrilla

movement are controlled by the Unified Revolutionary Directorate (DRU) with three members from each of the guerrilla groups active in El Salvador.

The DRU was formed in Havana May 1980, after meetings that began under Castro's sponsorship in December 1979. Requiring the creation of a unified military command that included the Moscow-line Salvadoran Communist Party before any modern armaments were supplied was, and is, a key to Cuba's political/military strategy. This pattern applied previously to the struggle against Somoza in Nicaragua and since then elsewhere in Central America, draws on ideologically committed and Cuban-trained military cadres to make up the guerrilla command and thereby insure Marxist-Leninist control of the surgency and of any government emerging subsequently from it.

The DRU command headquarters near Managua, Nicaragua, and is part of an extremely sophisticated command and control relationship (in fact, this system is more elaborate than that used by the Sandinistas against Somoza). Planning and operations are guided from this headquarters in Nicaragua, where Cuban and Nicaraguan officers are involved in command and control. The guidance flows to guerrilla units widely spread throughout El Salvador. DRU headquarters coordinates logistical support for the insurgents to include food, medicines, clothing, money, and—most importantly—weapons and ammunition. Although some freelance exists as targets of opportunity appear, the headquarters in Nicaragua decides on locations to be attacked and coordinates supply deliveries.

Evidence of centralized control comes from the guerrillas themselves. On March 4, 1982, the FMLN clandestine Radio Venceremos located in El Salvador broadcast a message to guerrillas in El Salvador urging them "to maintain their fighting spirit 24 hours a day to carry out the *missions ordered by the FMLN general command* [emphasis supplied]."

Recent Developments. Three months ago—in mid-December 1981—Fidel Castro directed, after consultations in Havana with guerrilla leaders, that external supplies of arms to FMLN units should be stepped up to make possible an offensive to disrupt a peaceful vote in the March 28 constituent assembly elections. Extreme left

El Salvador's Elections

SECRETARY'S STATEMENT MAR. 29, 1982¹

I want first and foremost to express my admiration for the people of El Salvador. Ordinary Salvadoran men and women, in unprecedented numbers, yesterday displayed awesome courage and civic responsibility. The Salvadoran people's stunning personal commitment to the power of the democratic vision is an unanswerable repudiation of the advocates of force and violence.

Secondly, I would like to note that yesterday's results are a military defeat for the guerrillas, quite as much as a political repudiation. Despite their clear intention to disrupt the elections, the guerrilla forces were unable to shake either the people or the security forces at their moment of greatest vulnerability. Moreover, the behavior of the armed forces proved that, although in El Salvador soldiers by law cannot vote, their professionalism this weekend served the cause of democracy. We should be aware, of course, that despite their undeniable repudiation by the people of El Salvador, the guerrillas still have the external support to continue

their campaign of terror at levels that would be impossible if they depended on their own people.

Finally, these elections are a major achievement in the development of democracy in El Salvador. We are confident that the constituent assembly, given the extraordinary mandate it has received from the Salvadoran people, will find ways to hold out a hand of conciliation to those adversaries who are prepared to take part peacefully in the democratic process now so encouragingly under way in El Salvador.

Formidable tasks still lie ahead. The Salvadoran people have dramatically demonstrated their desire for peace and for democracy. We and the free peoples everywhere must be proud of the victory we have all won. We owe it to ourselves, as well as to the people of El Salvador, to continue to support these courageous people as they advance the political reform process, to strengthen the land reform program, and to curb indiscriminate violence caused by extremists from both the left and the right. We believe yesterday's success greatly advances these long-term objectives.

¹Made to news correspondents at the Department's regular press briefing. ■

Organization and Evolution of the Salvadoran Insurgent Movement

Salvadoran insurgents include a number of political and armed groups united in national organizations which are distinct in name but overlap in composition.

The supreme executive body of the insurgents is the **Unified Revolutionary Directorate (DRU)**. The DRU was formed in May 1979 at a secret meeting in Havana. It grew out of other discussions held in Havana in November 1979 among three Salvadoran extremist groups. The DRU contains three members from each of the five active armed Communist organizations operating in El Salvador.

The **Farabundo Marti National Liberation Front (FMLN)** was formed in October 1980 to serve as the political/military umbrella group for the armed extremist organizations and their front groups.

The **Democratic Revolutionary Front (FDR)**, a separate political wing attached to the FMLN, was founded in April 1980 and operates outside El Salvador.

Of these three groups, it is the DRU that serves as a military high command for the conduct of guerrilla warfare and terrorist activities. The FDR has no control over military actions.

Four of the five Salvadoran armed organizations represented in the DRU can be traced to the Communist Party of El Salvador. It eschewed violence from its inception in the mid-1920s until late 1979. During the 1970s, the refusal of the party to endorse violence caused schisms within the party and drove more radical members to leave it and organize independent armed organizations.

The Communist Party of El Salvador is headed by Jorge Shafik Handal. A long-time Communist, Handal has been a political leader for 30 years. He studied at the University of El Salvador Law School, though he failed to earn a degree. He has maintained close ties with Havana and Moscow.

Leaders of the Communist Party of El Salvador were uncertain how to respond to the October 1979 coup in El Salvador, which sought to power a reformist civilian-military coalition. Initially the party decided to cooperate with the new government. Peaceful dialogue, however, did not suit those committed to violent struggles. Other groups on the fringes of the party staged violent disturbances. The Communist Party soon followed their lead and openly opposed the government forming its own military wing, the **Armed Forces of National Liberation (FAL)**. In mid-December 1979, party leaders met in Havana with representatives of two other Salvadoran extremist groups—the **Popular Liberation Forces (FPL)** and the **Armed Forces of National Resistance**

(**FARN**)—to initiate the unification process and agree on a military strategy. In June and July 1980, Handal traveled to the Soviet Union, Vietnam, Ethiopia, and Eastern Europe to seek arms.

The largest of the armed groups is the **Farabundo Marti Popular Liberation Forces (FPL)**, headed by Salvador Cayetano Carpio. Carpio became involved in labor activities in the early 1960s. By 1964, he had become Secretary General of the Communist Party of El Salvador. In 1969, he split with the party over its reluctance to use violence. Carpio founded the FPL in 1974 to serve as the "vanguard of the revolution." Using the *nom de guerre* of Comandante Marcial, Carpio orders and directs the military operations of the FPL.

By 1972, a separate faction of Castroite, Maoist, and Trotskyite dissidents had abandoned the Communist Party of El Salvador and organized the **People's Revolutionary Army (ERP)**. Headed by Joaquin Villalobos, the ERP is dedicated to a strategy of "peoples' revolutionary warfare" and has emphasized urban terrorism. Villalobos, like Carpio, is a proponent of armed violence and justifies terrorist acts such as kidnapping and assassination as "acts of revolutionary justice." Another prominent ERP figure is Ana Maria Guadalupe Martinez, who regularly travels abroad as a spokesperson for the FMLN. She joined the ERP in 1972. In 1976 she was imprisoned for murdering a Salvadoran policeman. She was released in 1977 as part of a negotiated exchange for an industrialist kidnapped by the ERP; the ERP bargained in bad faith and the industrialist was killed despite Martinez' release. Following the establishment of a reformist civilian-military government in El Salvador in October 1979, the ERP and the FPL staged violent disturbances.

Internal dissension within the ERP resulted in the assassination of key leader Roque Dalton in 1975 by other ERP activists, which led a splinter group headed by Ernesto Jovel and Ferman Cienfuegos to break away to form the **Armed Forces of National Resistance (FARN)**. The FARN took part in the initial unification discussions with the Communist Party of El Salvador and FPL in Havana in December 1979, and joined the DRU in 1980. But the FARN temporarily retired from the guerrilla command that same year following a dispute. After Jovel died in September 1980 under confused circumstances—the FARN command first attributed his death to a car accident, later to a plane crash—the FARN rejoined the DRU. Ferman Cienfuegos then emerged as the principal FARN leader. He is said to have been a member of a Communist youth

organization and has operated clandestinely since 1969.

The fifth organization represented on the DRU is a tiny Trotskyite group, the **Revolutionary Party of Central American Workers (PRTC)**. It was admitted to the DRU near the end of 1980. The key figure in the PRTC seems to be Fabio Castillo, a former rector of the University of El Salvador. He has lived in exile since 1972. Formed in the late 1970s, the PRTC has conducted acts of terrorism to establish its revolutionary credentials. A Costa Rican and two Salvadoran terrorists captured by Costa Rican police in January 1982, after an unsuccessful kidnapping attempt, are closely associated with the PRTC. Their statements to Costa Rican police revealed that they had operated out of a PRTC "safehouse" in Managua, Nicaragua, where they also received military training.

Each of these radical groups controls a "popular front" organization. The PCES for decades has operated through the **National Democratic Union (UDN)**, a legal political party which was invited by the Salvadoran Government to participate in the March 28, 1982, elections but refused to do so. The FPL controls the **Popular Revolutionary Bloc (BPR)**. The ERP controls the relatively small **Popular Leagues of February 28 (LP-28)**. The FARN oversees the **United Popular Action Front (FAPU)**. The PRTC's corresponding front organization is the **Movement of Popular Liberation (MLP)**.

The political front organizations have served to some degree as manpower pools for the guerrillas and in the past have been used to stage demonstrations, disseminate propaganda, and occupy public buildings—churches, foreign embassies, and government offices—as well as to back guerrilla units. Since 1980 activities of political front groups have dropped dramatically as the armed groups which control them put greater emphasis on military actions.

Not represented on the DRU, but connected to it through the **Democratic Revolutionary Front (FDR)**, are several small organizations of the democratic left. The most visible of these organizations is the **National Revolutionary Movement (MNR)** headed by Guillermo Manuel Ungo, who became the FDR's president in December 1980. The MNR is a member party of the Socialist International. The MNR has a small membership which never exceeded a few hundred. Also part of the FDR is the **Popular Socialist Christian Movement (MPSC)**, which is composed of a handful of former Christian Democrats who abandoned or were expelled from the Salvadoran Christian Democratic Party in early 1980. ■

groups throughout Central America were mobilized to support the effort.

Within the past 3 months, shipments of arms into El Salvador reached unprecedented peaks, averaging out to the highest overall volume since the "final offensive" last year. During the past year, deliveries of arms to the Salvadoran insurgents have been closely monitored. The recent Cuban-Nicaraguan arms flow into El Salvador has emphasized both sea and—once again—overland routes through Honduras. Early in March, for example, a guerrilla unit in El Salvador received several thousand sticks of TNT and detonators (only five sticks of TNT are sufficient to blow up an electrical pylon). Last month, a Salvadoran guerrilla group picked up a large shipment of arms on the Usulután coast after the shipment arrived by sea from Nicaragua.

In addition to vitally needed ammunition, these most recent guerrilla supply operations have included greater quantities of more sophisticated heavier weapons. Recent deliveries have included M-60 machine guns, 57mm recoilless rifles, and M-72 antitank weapons, thus significantly increasing guerrilla firepower. Individual units also regularly receive tens of thousands of dollars for routine purchases of nonlethal supplies on commercial markets and payments (including bribes) to enable the clandestine pipeline to function.

On March 15, 1982, the Costa Rican judicial police announced the discovery of a house in San José with a sizable cache of arms, explosives, uniforms, passports, documents, false immigration stamps from more than 30 countries, and vehicles with hidden compartments—all connected with an ongoing arms traffic through Costa Rican territory to Salvadoran guerrillas.

Nine people were arrested—Salvadorans, Nicaraguans, an Argentine, a Chilean, and a Costa Rican. Costa Rican police so far have seized 13 vehicles designed for arms smuggling. Police confiscated some 150-175 weapons from mausers to machine guns, TNT, fragmentation grenades, a grenade launcher, ammunition, and 500 combat uniforms. One of the captured

terrorists told police that the arms and other goods were to have been delivered to the Salvadoran guerrillas before March 20, "for the elections."

Confirmations on the Public Record

Persuasive evidence that the insurgency in El Salvador is part of a broader regional pattern has been available for some time.

The Nicaraguan link was clear to the Carter Administration. For example, in an interview with editors of the *Washington Post*, published January 30, 1981, former Secretary of State Edmund Muskie said that Cuban arms and supplies being used in El Salvador's bloody civil war were flowing through Nicaragua "certainly with the knowledge and to some extent the help of Nicaraguan authorities."

A guerrilla leader told the *San Diego Union* (March 1, 1981) in El Salvador that "the Salvadoran guerrillas have a permanent commission in Nicaragua overseeing the smuggling of weapons from that country to here." He also said there have been Cuban advisers in the province of Morazan and that Vietnamese advisers have made several trips to guerrilla camps in El Salvador.

Fidel Castro publicly denies supplying arms and military equipment to the Salvadoran guerrillas (for example, in his September 15, 1981, speech opening the Inter-Parliamentary Union Conference in Havana) and avoids commenting on Cuban military advisers in Nicaragua.

Yet in a Bonn press conference on June 19, 1981, German Social Democratic leader Hans-Jürgen Wischniewski reported that when he had personally confronted Castro with State Department contentions that Cuba had shipped weapons to Salvadoran guerrillas, Castro had admitted it was true. Castro again confirmed the reports of transshipment of arms to the Salvadoran guerrillas in private discussions with several Inter-Parliamentary Union delegations in Havana last September.

And the *Washington Post* reported March 7, 1982, that Sandinista leader Jaime Wheelock confirmed to the *Post* that Cuban military advisers were present in his country, although he claimed that there were "no more than about dozen."

The *New York Times* reported March 18, 1982, that the guerrillas do concede that Cuba supplied armaments through Nicaragua for the January 1981 "final offensive."

Top Cuban leaders have confirmed that Salvadoran guerrillas are trained in Cuba. Vice President Caslos Rafael Rodríguez, for example, confirmed it at least two interviews (*Der Spiegel*, September 28, 1981, and *El Diario de Caracas*, October 29, 1981). The *Toronto Globe and Mail* reported February 12, 1982, that "at least 30 Salvadoran guerrillas" were currently training near Havana. The report was based on an interview with a Salvadoran guerrilla billeted in a Havana hotel, which, according to a hotel employee, had been booked by the Cuban foreign minister for "Latin American" guests.

In March 1981, [Nicaraguan] Sandinista directorate member Humbert Ortega traveled to Hanoi. In a speech given there March 11, Ortega said: "sincerely thank the Vietnamese people and highly value their support for the heroic Salvadoran people . . . the fiercest and bloody struggle in El Salvador requires the support of all progressive nations and forces throughout the world."

Vietnamese support for the Salvadoran guerrillas was confirmed by author William Shawcross when he traveled to Vietnam last year (*New York Review of Books*, September 24, 1981).

Had Vietnam been distributing any or vast pile of weapons left by the American Colonel Bui Tin acknowledged, in effect, it had. In El Salvador? "It's not fair to say the U.S. can help the junta but we cannot help our friends. We do our best to support revolutionary movements in the world."

Yasir Arafat, chairman of the Palestine Liberation Organization executive committee, confirmed to a group of Palestinian journalists in Beirut on January 11, 1982, that "there are Palestinian pilots in Nicaragua, there are Palestinian revolutionaries with revolutionary movements in El Salvador. . . ."

Current Actions

BILATERAL

Agriculture

Convention on the Inter-American Institute of Cooperation on Agriculture. Done at Washington Mar. 6, 1979. Entered into force Mar. 8, 1980. TIAS 9919.
Notification deposited: Dominican Republic, Mar. 4, 1982.

Aviation

Convention on the recognition and enforcement of foreign arbitral awards. Done at New York June 10, 1958. Entered into force July 7, 1959; for the U.S. Dec. 29, 1970. TIAS 6997.
Accession deposited: Yugoslavia, Feb. 26, 1982.

Aviation

Protocol relating to an amendment to the Convention on international civil aviation [to the Convention as an authentic language of the Convention] (TIAS 1591). Done at Montreal Oct. 30, 1977.¹

Notification deposited: U.S. Mar. 5, 1982.
 Protocol relating to an amendment to the Convention on international civil aviation [concerning lease, charter, and interchange] (TIAS 1591). Done at Montreal Oct. 6, 1980.¹
Notifications deposited: Oman, Mar. 11, 1981; U.K., Mar. 16, 1981; Republic of Korea, Mar. 23, 1981; Hungary, May 27, 1981; Ethiopia, June 25, 1981; Bulgaria, July 7, 1981; Egypt, Sept. 11, 1981; Barbados, Oct. 5, 1981; Netherlands, Nov. 5, 1981; U.S., Feb. 15, 1982.

Biological Weapons

Convention on the prohibition of the development, production, and stockpiling of biological (biological) and toxin weapons and on their destruction. Done at Washington, London, and Moscow Apr. 10, 1972. Entered into force Mar. 26, 1975. TIAS 8062.
Accession deposited: Libya, Jan. 19, 1982.

Commodities—Common Fund

Agreement establishing the Common Fund for Commodities, with schedules. Done at Geneva June 27, 1980.¹
Signatures: Tunisia, Mar. 2, 1982; Kenya, Apr. 10, 1982; Algeria, Mar. 15, 1982; Uganda, Mar. 19, 1982.
Notification deposited: Uganda, Mar. 19, 1982.

Conservation

Convention on the conservation of Antarctic marine living resources, with annex for an arbitral tribunal. Done at Canberra May 20, 1980.
Notification deposited: New Zealand, Mar. 8, 1982.
Proclaimed by the President: Mar. 29, 1982.
Entered into force: Apr. 7, 1982.

Customs

Customs convention on the international transport of goods under cover of TIR carnets, with annexes. Done at Geneva Nov. 14, 1975. Entered into force Mar. 20, 1978; for the U.S. Mar. 18, 1982.
Accession deposited: Republic of Korea, Jan. 29, 1982.

Defense

Memorandum of understanding for coproduction and sale of modular thermal imaging systems (MOD FLIR) and their components, with annex. Signed at Bonn, The Hague, and Washington, Feb. 12, May 21, and Dec. 22, 1981. Entered into force Dec. 22, 1981.
Signatures: F.R.G., Feb. 12, 1981; Netherlands, May 21, 1981; U.S., Dec. 22, 1981.

Education—UNESCO

Convention on the recognition of studies, diplomas, and degrees concerning higher education in the states belonging to the Europe Region. Done at Paris, Dec. 21, 1979. Entered into force: Feb. 19, 1982.²
Ratifications deposited: Finland, Jan. 19, 1982; U.S.S.R., Jan. 26, 1982.

Human Rights

International covenant on economic, social, and cultural rights. Adopted at New York Dec. 16, 1966. Entered into force Jan. 3, 1976.²
Notification of succession: Solomon Islands, Mar. 17, 1982.

International Monetary Fund

Articles of agreement of the international monetary fund, formulated at Bretton Woods Conference July 1-22, 1944. Entered into force Dec. 27, 1945. TIAS 1501.
Signatures and acceptances: Antigua and Barbuda, Feb. 25, 1982; Belize, Mar. 16, 1982.

Maritime Matters

Convention on the Intergovernmental Maritime Consultative Organization. Signed at Geneva Mar. 6, 1948. Entered into force Mar. 17, 1958. TIAS 4044.

Amendments to the convention of Mar. 6, 1948, as amended, on the Intergovernmental Maritime Consultative Organization (TIAS 4044, 6285, 6490, 8606). Adopted at London Nov. 14, 1975. Enters into force May 22, 1982, except for Art. 51 which enters into force July 28, 1982.

Amendments to the convention of Mar. 6, 1948, as amended, on the Intergovernmental Maritime Consultative Organization (TIAS 4044, 6285, 6490, 8606). Adopted at London Nov. 17, 1977.¹

Amendments to the convention of Mar. 6, 1948, as amended, on the Intergovernmental Maritime Consultative Organization (TIAS

4044, 6285, 6490, 8606). Adopted at London Nov. 15, 1979.¹
Acceptances deposited: Nicaragua, Mar. 17, 1982.

Amendment of article VII of the convention on the facilitation of international maritime traffic, 1965 (TIAS 6251). Adopted at London Nov. 19, 1973.¹
Acceptance deposited: Israel, Feb. 17, 1982.

Narcotic Drugs

Single convention on narcotic drugs. Done at New York Mar. 30, 1954. Entered into force Dec. 13, 1964; for the U.S. June 24, 1967. TIAS 6298.
Notification of succession: Solomon Islands, Mar. 17, 1982.

North Atlantic Treaty

Protocol to the North Atlantic Treaty on the accession of Spain. Done at Brussels Dec. 10, 1981.¹
Acceptance deposited: U.K., Mar. 1, 1982.
Approval deposited: Belgium, Mar. 18, 1982.
Senate advice and consent to ratification: Mar. 16, 1982.

Agreement to amend the protocol of signature to the agreement of Aug. 3, 1959, to supplement the agreement between the parties to the North Atlantic Treaty regarding the status of their forces with respect to foreign forces stationed in the Federal Republic of Germany. (TIAS 5351), as amended by the agreement of Oct. 21, 1971 (TIAS 7759). Signed at Bonn May 18, 1981.¹
Approval deposited: U.S., Mar. 8, 1982.

Nuclear Material—Physical Protection

Convention on the physical protection of nuclear material, with annexes. Done at Vienna Oct. 26, 1979.¹
Signatures: Czechoslovakia, Sept. 14, 1981; Korea, Dec. 29, 1981.³
Ratification deposited: Philippines, Sept. 21, 1981.

Organization of American States

Charter of the Organization of American States. Signed at Bogota Apr. 30, 1948. Entered into force Dec. 13, 1951. TIAS 2361.

Protocol of Amendment to the Charter of the Organization of American States (TIAS 2361). Signed at Buenos Aires Feb. 27, 1967. Entered into force Feb. 27, 1970. TIAS 6847.
Signature: The Bahamas, Mar. 3, 1982.
Ratification deposited: Mar. 3, 1982.

Postal

Second addition protocol to the constitution of the Universal Postal Union of July 10, 1964, general regulations with final protocol and annex, and the universal postal convention with final protocol and detailed regulations. Done at Lausanne July 5, 1974. Entered into force Jan. 1, 1976. TIAS 8231.
Ratification deposited: Laos, Jan. 11, 1982.

General regulations of the Universal Postal

TREATIES

Union, with final protocol and annex, and the universal postal convention with final protocol and detailed regulations. Done at Rio de Janeiro Oct. 26, 1979. Entered into force July 1, 1981, except for Art. 124 of the General Regulations which became effective Jan. 1, 1981.

Approvals deposited: Mauritania, Feb. 23,

1982; India, Feb. 24, 1982.

Ratifications deposited: Libya, Feb. 1, 1982; Malaysia, Feb. 17, 1982; Democratic Republic of Korea, Feb. 24, 1982.

Money orders and postal travellers' checks agreement with detailed regulations with final protocol. Done at Rio de Janeiro Oct. 26, 1979. Entered into force July 1, 1981.

Ratification deposited: Libya, Feb. 1, 1982.

Approval deposited: Mauritania, Feb. 23, 1982.

Racial Discrimination

International convention on the elimination of all forms of racial discrimination. Adopted at New York Dec. 21, 1965. Entered into force Jan. 4, 1969.²

Accession deposited: Sri Lanka, Feb. 18, 1982.

Notification of succession: Solomon Islands, Mar. 17, 1982.

Red Cross

Protocol additional to the Geneva conventions of 12 Aug. 1949 (TIAS 3362, 3363, 3364, 3365), and relating to the protection of victims of international armed conflicts (protocol I), with annexes. Done at Geneva June 8, 1977. Entered into force Dec. 7, 1978.²

Ratifications deposited: Norway, Dec. 14, 1981;⁴ Korea, Jan. 15, 1982;⁴ Switzerland, Feb. 17, 1982.^{3,4}

Protocol additional to the Geneva conventions of 12 Aug. 1949 (TIAS 3362, 3363, 3364, 3365), and relating to the protection of victims of noninternational armed conflicts (protocol II). Adopted at Geneva June 8, 1977. Entered into force Dec. 7, 1978.²

Ratifications deposited: Norway, Dec. 14, 1981; Korea, Jan. 15, 1982; Switzerland, Feb. 17, 1982.

Rubber

International natural rubber agreement, 1979. Done at Geneva Oct. 6, 1979. Entered into force provisionally Oct. 23, 1980.

Acceptances deposited: Netherlands, Feb. 25, 1982; U.S.S.R., Feb. 26, 1982.

Ratification deposited: Australia, Feb. 24, 1982.

Satellite Communications System

Convention on the International Maritime Satellite Organization (INMARSAT), with annex. Done at London Sept. 3, 1976. Entered into force July 16, 1979. TIAS 9605.

Accession deposited: Sri Lanka, Dec. 15, 1981.

Operating agreement on the International Maritime Satellite Organization (INMARSAT), with annex. Done at London Sept. 3, 1976. Entered into force July 16, 1979. TIAS 9605.

Signature: Sri Lanka, Dec. 15, 1981.

Satellites

Memorandum of understanding concerning cooperation in an experimental satellite-aided search and rescue system, with annex. Signed at Ottawa, Washington, and Paris July 16 and 19, Aug. 27, 1979. Entered into force Aug. 27, 1979.

Signatures: Canada, July 16, 1979, U.S., July 19, 1979; France, Aug. 27, 1979.

Understanding concerning cooperation in a joint experimental satellite-aided search and rescue project. Signed at Leningrad Nov. 23, 1979. Entered into force Nov. 23, 1979.

Signatures: U.S., Canada, France, U.S.S.R.

Understanding concerning participation by Norway in an investigation of the demonstration and evaluation of an experimental satellite-aided search and rescue system. Signed at Ottawa, Paris, Washington, and Oslo Sept. 25 and 30, Oct. 19, Nov. 13, 1981.

Entered into force Nov. 13, 1981.

Signatures: Canada, Sept. 25, 1981;

France, Sept. 30, 1981, U.S., Oct. 19, 1981; Norway, Nov. 13, 1981.

Telecommunications

International telecommunication convention with annexes and protocols. Done at Malaga-Torremolinos Oct. 25, 1973. Entered into force Jan. 1, 1975; for the U.S. Apr. 7, 1976. TIAS 8572.

Accession deposited: Belize, Dec. 16, 1981.

Radio regulations, with appendices and final protocol. Done at Geneva Dec. 6, 1979. Entered into force Jan. 1, 1982, except for (1) arts. 25, 66, and appendix 43 which entered into force Jan. 1, 1981, and (2) certain provisions concerning aeronautical mobile service which shall enter into force Feb. 1, 1983.

Approval deposited: India, Jan. 8, 1982.

Terrorism

Convention on the prevention and punishment of crimes against internationally protected persons, including diplomatic agents. Done at New York Dec. 14, 1973. Entered into force Feb. 20, 1977. TIAS 8532.

Accession deposited: Argentina, Mar. 18, 1982.

Trade

Agreement on technical barriers to trade. Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1980. TIAS 9616.

Agreement on trade in civil aircraft. Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1980. TIAS 9620.

International dairy arrangement. Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1980. TIAS 9623.

Arrangement regarding bovine meat. Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1980. TIAS 9701.

Agreement on import licensing procedures. Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1980. TIAS 9788.

Agreement on implementation of article V of the General Agreement on Tariffs and Trade (antidumping code). Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1980. TIAS 9650.

Agreement on interpretation and application of articles VI, XVI, and XXIII of the General Agreement on Tariffs and Trade (subsidies and countervailing duties). Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1980.

Acceptance: Egypt, Dec. 28, 1981.⁵

Fifth certification of changes to schedule the General Agreement on Tariffs and Trade. Done at Geneva Aug. 7, 1981.

Entered into force: Aug. 7, 1981.

Treaties

Vienna convention on the law of treaties, with annex. Done at Vienna May 23, 1966. Entered into force Jan. 27, 1980.²

Ratification deposited: Uruguay, Mar. 5, 1982.

Whaling

International whaling convention and schedule of whaling regulations, as amended by the 1956 protocol (TIAS 4228). Done at Washington Dec. 2, 1946. Entered into force Nov. 10, 1948. TIAS 1849.

Notification of adherence: Monaco, Mar. 1982.

Women

Inter-American convention on the grant of political rights to women. Signed at Bogota May 2, 1948. Entered into force Apr. 22, 1949; for the U.S. May 24, 1976. TIAS 8572.

Signature: Suriname, Feb. 10, 1982.

Ratification deposited: Suriname, Feb. 10, 1982.

Convention on the elimination of all forms of discrimination against women. Adopted at New York Dec. 18, 1979. Entered into force Sept. 3, 1981.²

Ratification deposited: Yugoslavia, Feb. 1982.

Signature: Greece, Mar. 2, 1982.

World Health Organization

Constitution of the World Health Organization. Done at New York July 22, 1946.

Entered into force Apr. 7, 1948. TIAS 1849.

Acceptance deposited: Bhutan, Mar. 8, 1982.

amendments to articles 24 and 25 of the Constitution of the World Health Organization. Adopted at Geneva May 17, 1976, by the Twenty-ninth World Health Assembly.¹ Ratifications deposited: Democratic Republic of Congo, Mar. 2, 1982; Yemen (Sanaa), Mar. 8, 1982.

Amendment to article 74 of the Constitution of the World Health Organization, as amended. Adopted at Geneva May 18, 1978, by the Twenty-ninth World Health Assembly.¹ Ratification deposited: Yemen (Sanaa), Mar. 8, 1982.

World Heritage

Convention concerning the protection of the world cultural and natural heritage. Done at Paris Nov. 23, 1972. Entered into force Oct. 17, 1975. TIAS 8226. Ratification deposited: Malawi, Jan. 5, 1982.

ALGERIA

Bangladesh

Agreement for sales of agricultural commodities, with annexes and agreed minutes. Signed at Dacca Mar. 8, 1982. Entered into force Mar. 8, 1982.

Bolivia

Agreement relating to the employment of dependents of official government employees. Effected by exchange of notes at La Paz Mar. 5, 1982. Entered into force Mar. 5, 1982.

Canada

Agreement relating to the addition of annex concerning the waters of Dixon entrance to joint marine pollution contingency plan promulgated pursuant to the agreement of Dec. 19, 1974 (TIAS 7861, 8957). Effected by exchange of notes at Ottawa Mar. 5 and 17, 1982. Entered into force Mar. 17, 1982.

China

Agreement amending the agreement of Oct. 17, 1980 (TIAS 9820), relating to trade in cotton, wool, and man-made fiber textiles and textile products. Effected by exchange of letters at Washington Sept. 18, 1981. Entered into force Sept. 18, 1981.

Colombia

Trade ratification treaty, with annex. Signed at Washington Sept. 14, 1979.

Documents of ratification exchanged: Mar. 4, 1982. Entered into force: Mar. 4, 1982.

Claimed by the President: Mar. 25, 1982.

Czechoslovakia

Agreement on the settlement of certain outstanding claims and financial issues, with

annexes and related exchange of letters.

Signed at Prague Jan. 29, 1982. Entered into force Feb. 2, 1982.

Agreements amending the annexes to the agreement of Jan. 29, 1982, on the settlement of certain outstanding claims and financial issues. Effected by exchanges of notes at Prague Feb. 2 and Feb. 12, 1982. Entered into force Feb. 2 and 12, 1982.

France

Agreement amending the memorandum of understanding of Jan. 15, 1976, on the participation of France in the international phase of ocean drilling of the deep sea drilling project (TIAS 8610, 9323). Signed at Paris and Washington Oct. 27, 1981 and Feb. 19, 1982. Entered into force Feb. 19, 1982.

Gabon

Memorandum of understanding for a joint program of demonstration of solar photovoltaic power in Gabon. Signed at Libreville Feb. 4, 1982. Entered into force Feb. 4, 1982.

Korea

Agreement amending the agreement of Dec. 23, 1977, as amended (TIAS 9039, 9350, 9566, 9758, 9844), relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of notes at Washington Aug. 13 and Sept. 9, 1981. Entered into force Sept. 9, 1981.

Agreement amending the agreement of Dec. 23, 1977, as amended (TIAS 9039, 9566, 9758, 9844), relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of letters at Washington Nov. 25 and 27, 1981. Entered into force Nov. 27, 1981.

Memorandum of agreement on the transfer of prisoners of war/civilian internees. Signed at Seoul Feb. 12, 1982. Entered into force Feb. 12, 1982.

Mexico

Agreement for scientific cooperation on alcohol-related problems. Signed at Washington Mar. 11, 1982. Entered into force Mar. 11, 1982.

Agreement extending the agreement of July 31, 1970, as amended and extended (TIAS 6941, 7927), for a cooperative meteorological observation program in Mexico. Effected by exchange of notes at Mexico and Tlatelolco Feb. 3 and 19, 1982. Entered into force Feb. 19, 1982; effective Feb. 1, 1982.

Multinational Force and Observers

Agreement relating to participation of United States military and civilian personnel in the multinational force and observers established by Egypt and Israel, with annexes and agreed minute, and related exchanges of letters. Effected by exchange of letters at Washington Mar. 26, 1982. Entered into force Mar. 26, 1982.

Pakistan

Agreement relating to trade in cotton textiles and textile products, with annexes. Effected by exchange of notes at Washington Mar. 9 and 11, 1982. Entered into force Mar. 11, 1982.

Agreement amending the agreement of Jan. 4 and 9, 1978, as amended (TIAS 9050, 9551, 9661, 9804), relating to trade in cotton textiles. Effected by exchange of letters at Washington Sept. 4 and 10, 1981. Entered into force Sept. 10, 1981.

Peru

Agreement amending the agreement of Jan. 28, 1965 (TIAS 5858), for financing certain educational exchange programs. Effected by exchange of notes at Lima Nov. 23, 1981, and Jan. 19, 1982. Entered into force Jan. 19, 1982.

Romania

Agreement extending the memorandum of understanding of Feb. 27, 1979 (TIAS 9731), on scientific and technological cooperation. Effected by exchange of letters at Bucharest and Washington Jan. 14 and Feb. 26, 1982. Entered into force Feb. 26, 1982.

St. Lucia

Arrangement relating to radio communications between amateur stations on behalf of third parties. Effected by exchange of notes at Bridgetown and Castries Aug. 10, 1981, and Feb. 17, 1982. Entered into force Mar. 19, 1982.

Saudi Arabia

Memorandum of understanding concerning the Saudi Arabian national guard medical services project. Signed at Riyadh, Aug. 24, 1981. Entered into force Aug. 24, 1981.

Singapore

Agreement amending the agreements of Sept. 21 and 22, 1978, as amended (TIAS 9214, 9610, 9719, 9774, 9817, 9958), and Aug. 21, 1981, as amended, relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of letters at Geneva Dec. 18, 1981. Entered into force Dec. 18, 1981.

Turkey

Agreement regarding the consolidation and rescheduling of payments due under P.L. 480 title I agricultural commodity agreements, with annexes. Signed at Ankara Nov. 25, 1981. Entered into force Nov. 25, 1981.

Implementing agreement regarding the consolidation and rescheduling of certain debts owed to the Agency for International Development. Signed at Ankara Jan. 22, 1982. Entered into force Jan. 22, 1982.

¹Not in force.

²Not in force for the U.S.

³With reservation(s).

⁴With declarations.

⁵Subject to ratification. ■

March 1982

March 1

U.S. announces U.S. observer delegation to the El Salvador elections to be held March 28. The delegation will be headed by Senator Nancy Kassebaum (R-Kansas) and will include Congressmen Robert Livingston (R-Louisiana) and John P. Murtha (D-Pennsylvania); Everett Briggs, Deputy Assistant Secretary of State for Inter-American Affairs; Father Theodore Hesburgh, President of Notre Dame University; Clark Kerr, President Emeritus of the University of California at Berkeley; and election specialists Richard Scammon and Howard Penniman.

March 2

By a vote of 94 to 0, U.S. Senate passes a resolution calling on the Polish Government to release Lech Walesa.

March 6

Secretary Haig and Mexican Foreign Minister Jorge Castaneda de la Rosa meet in New York to review a number of bilateral issues related to the region which includes President Lopez Portillo's proposal on the Central American crisis and President Reagan's Caribbean Basin initiative.

March 7

Guatemala holds elections to choose a President, Vice President, members of congress, and municipal officials.

F.R.G. Foreign Minister Hans-Dietrich Genscher makes official working visit to Washington, D.C. March 7-9 to continue high-level U.S.-German discussions with Secretary Haig. Discussions focus on preparations for the NATO summit in Bonn. While here, the Foreign Minister also calls on the President and meets with leading members of the Administration and Members of Congress.

March 9

Somali President Mohamed Siad Barre makes official working visit to Washington, D.C. March 9-14.

Fourth ASEAN-U.S. Dialogue is held at State Department March 9-11. Deputy Assistant Secretary for East Asian and Pacific Affairs Anthony C. Albrecht heads U.S. delegation.

In Guatemala, results of the elections show that the Government's candidate, Gen. Angel Aribal Guevara wins and is to take office July 1.

March 10

President Reagan signs a March 4 resolution adopted by Congress and issues a proclamation designating March 21 as U.S.

Afghanistan Day to commemorate the valor of the Afghan people and to condemn the continuing Soviet presence in that country.

State Department issues a public statement on Libya to "prohibit imports of Libyan oil into the U.S. and to ban selected exports of U.S. origin items to Libya."

By a vote of 19 to 13 (10 abstentions, 1 nonparticipation) U.N. Human Rights Commission adopts a resolution on Poland calling "for an end of measures restricting human rights and fundamental freedom, release of prisoners detained without charge and a review of sentences proposed under martial law."

March 12

French President Francois Mitterrand and Foreign Minister Cheysson make official working visit to Washington, D.C. to hold discussions with President Reagan and Secretary Haig.

March 14

Foreign Ministers of Canada (Secretary of State for External Affairs Mark MacGuigan); Mexico (Jorge Castaneda de la Rosa); Venezuela (Velasco Jose Alberto Zambrano); Colombia (Carlos Lemos Simmonds); and Secretary Haig and Ambassador William E. Brock (U.S. Trade Representative) meet in New York March 14-15 to review results of the July 11, 1981, consultations begun at Nassau regarding an initiative to stimulate economic and social development in the Caribbean Basin area.

Following the meeting, a joint communique is issued endorsing President Reagan's plan for development; expressing "deep satisfaction" with ongoing cooperation in the area; welcoming the decision by other area governments to actively participate; expressing satisfaction that "other countries were participating in the development process," and concluding that the Nassau effort had been "successful in focusing greater attention on the critical need for increased economic development assistance, cooperation and coordination in the Caribbean Basin area." The Ministers agree to continue consultations with other governments and to meet again in August in Caracas, Venezuela to jointly examine progress achieved.

Under Secretary Buckley, along with senior officials from the Departments of the Treasury, Defense, Commerce, and the National Security Council staff visits Bonn, London, Paris, Rome, and Brussels March 13-19 for talks with allied government officials and the Commission of the European Community. The talks focused on East-West economic relations.

March 16

Irish Prime Minister Charles J. Haughey makes official working visit to Washington, D.C. March 16-17.

March 19

Belgium becomes fifth NATO member country to deposit an instrument of ratification of the protocol inviting Spain to join the NATO alliance.

Japanese Foreign Minister Yoshio Sakurauchi makes official visit to the U.S. and to Washington, D.C. March 20-24 for meetings with President Reagan, Secretary Haig, and other members of the Administration and Congress.

March 21

International Afghanistan Day—a day celebrated in recognition of the Afghan peoples struggle to reclaim their freedom from Soviet occupation, and a demonstration of support by people—nationwide and worldwide—for the principles of freedom and national independence.

March 22

State Department releases a report on "Chemical Warfare in Southeast Asia and Afghanistan." The study, based on information from a variety of sources compiled and analyzed over the years, presents evidence through January 1982, of chemical warfare activities in Laos, Kampuchea, and Afghanistan and examines Soviet involvement in those activities.

March 23

The government of Guatemalan President Gen. Fernando Romeo Lucas Garcia is overthrown by dissident army officers who denounce the March 7 elections as "fraudulent and who assert that the elections were "manipulated" in order to assure victory for Gen. Angel Anibal Guevara, the government's candidate. A three-man junta set up headed by retired Gen. Efraim Rios Montt. Lucas' term was scheduled to end July 1.

March 24

Italian President Sandro Pertini makes a State visit to the U.S. March 24 through April 1, and to Washington, D.C. March 24-27.

The 4-month-old civilian government President Abdus Sattar is overthrown in bloodless coup led by Bangladesh's Army Chief Lt. Gen. Mohammed Ershad who suspends the country's constitution, proclaims martial law, and names himself martial-law administrator.

The U.N. Security Council meets at the request of Arab States to begin debate on violence occurring on the West Bank.

March 25

Foreign Ministers of three countries of the Central American Democratic Community—Costa Rica (Bernd Niehaus); El Salvador (Fidel Chavez Mena); and Honduras (Edgardo Paz Barmica); and Secretary Haig—meet in Washington to discuss the Reagan Administration's Caribbean Basin initiative.

as general developments in Central America.
 U.S. Consulate General in Bombay, India attacked and damaged by approximately 50 Indian demonstrators. There were no injuries among American and Indian employees. The demonstrators carrying pamphlets printed in Hindi identify themselves as the "Azad Hinda"—Free India Army.

March 25-31
 Security Council meets to consider Uruguay's complaints against the U.S.

March 26
 The State Department, Secretary Haig and MFO (multinational force and observers) Director General Leamon R. Hunt sign agreement to bring the U.S. into the Sinai peacekeeping forces. The forces are comprised of troops from Australia, New Zealand, Britain, Italy, France, Colombia, Uruguay, Fiji, the Netherlands, Norway, and the U.S.

March 27
 Md. Governor Al Fazel Muhammad Ahsannudin Chowdhury will be sworn in as President of Bangladesh.

March 28
 Over 1 million voters turn out in the El Salvador elections to choose a 60-member Constituent Assembly that will have the power to name a new government and write a new constitution.

March 31
 Results of the El Salvadoran elections show that the Christian Democrats win 24 seats in the new assembly, the Nationalist Republican Alliance (ARENA), 19, and the Nationalist Party, 14. The three remaining seats are held by two smaller parties. ■

Department of State

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

No.	Date	Subject	No.	Date	Subject
			*95	Undated	Presidential Commission on broadcasting to Cuba (partially closed), Apr. 16.
			*96	3/15	Keith Lapham Brown sworn in as U.S. Ambassador to the Kingdom of Lesotho (biographic data).
			*97	3/16	Program for the official working visit to Washington, D.C. of Irish Prime Minister Haughey, Mar. 16-17.
*80	3/1	Haig: speech and question-and-answer session at Conservative Political Action Conference, Washington, D.C., Feb. 27.	*98	3/16	William R. Casey, Jr. sworn in as U.S. Ambassador to Niger (biographic data).
*81	3/2	H. Monroe Browne Ambassador to New Zealand (biographic data).	*99	3/17	Haig: press conference, U.N. Plaza Hotel, New York, Mar. 14.
82	3/3	Haig: statement before House Foreign Affairs Committee, Mar. 2.	*100	3/17	Haig: press conference, U.N. Plaza Hotel, New York, Mar. 15.
*83	3/3	Advisory Committee on International Investment, Technology, and Development (ACITD), working group on treatment of investment and special investment problem, Mar. 18.	101	3/18	Haig, MacGuigan, Castaneda, Zambrano, Simmonds, and Brock: joint press conference, U.N. Plaza, New York, Mar. 15.
*84	3/3	Secretary's Advisory Committee on Private International Law, Apr. 30.	*102	3/23	Program for the State visit to the U.S. of Italian President Pertini, Mar. 24-Apr. 1.
*85	3/3	ACITD, working group on accounting standards, Mar. 26.	103	Not issued	
*86	3/3	Haig: statement before Subcommittee on Foreign Operations, House Appropriations Committee.	*104	3/23	Anthony C.E. Quainton sworn in as U.S. Ambassador to Nicaragua (biographic data).
87	3/8	Haig, Castaneda: news briefing, New York, Mar. 6.	*105	3/23	Advisory Committee on International Intellectual Property, Apr. 20.
*88	3/9	Program for the official working visit of Somalia President Barre, Mar. 9-14.	*106	3/24	Increase in immigrant visa fees.
89	3/10	Haig: proposed testimony before Subcommittee on Foreign Operations, Senate Appropriations Committee.	107	3/29	Haig: interview on NBC's "Meet the Press," Mar. 28.
*90	Undated	Joseph Verner Reed, Jr., Ambassador to Morocco (biographic data).	*108	3/29	U.S., Pakistan amend textile agreement, Dec. 30 and Jan. 6.
*91	Undated	Presidential Commission on broadcasting to Cuba (partially closed).	*109	3/30	National Committees of the U.S. Organization for the International Radio Consultative Committee (CCIR) and the International Telegraph and Telephone Consultative Committee (CCITT), joint working party, Apr. 14.
*92	Undated	Shipping Coordinating Committee (SCC), Subcommittee on Safety of Life at Sea (SOLAS), Mar. 31.	*110	3/30	SCC, National Committee for the prevention of marine pollution, June 10.
*93	3/12	Integrated Services Digital Network (ISDN), working party of the U.S. Organization for the International Telegraph and Telephone Consultative Committee (CCITT), Apr. 14.	*111	3/30	SCC, SOLAS, working group on bulk chemicals, Apr. 29.
*94	Undated	U.S. Organization for the International Telegraph and Telephone Consultative Committee (CCITT), Apr. 15.	*112	3/30	CCITT, study group A, Apr. 19.

*Not printed in the BULLETIN. ■

Department of State

Free, single copies of the following Department of State publications are available from the Public Information Service, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.

Secretary Haig

Interview on "Meet the Press," Mar. 28, 1982 (Current Policy #380).

Update of International Developments, House Foreign Affairs Committee, Mar. 2, 1982 (Current Policy #373).

Africa

Background Notes on Lesotho, Dec. 1981.

East Asia

Japan and the United States: A Cooperative Relationship, Assistant Secretary Holdridge, Subcommittee on Asian and Pacific Affairs, House Foreign Affairs Committee, Mar. 1, 1982 (Current Policy #374).

Background Notes on Burma, Jan. 1982.

Economics

Trade of NATO and European CEMA Countries, 1977-80, Lucie Kornei, Office of Analysis for Western Europe, Bureau of Intelligence and Research, Nov. 30, 1981 (Special Report #92).

Atlas of U.S. Foreign Relations: Trade and Investment, Apr. 1982 (*Bulletin* Reprint).

Energy

U.S. Participation in the International Energy Agency, Acting Assistant Secretary Johnston, Senate Committee on Energy and Natural Resources, Feb. 4, 1981 (Current Policy #372.)

Europe

Alliance Strategy and the INF Negotiations, Director Burt, Subcommittees on International Security and Scientific Affairs and on Europe and the Middle East, House Foreign Affairs Committee, Feb. 23, 1982 (Current Policy #379).

Poland: Financial and Economic Situation, background paper from the Departments of State and the Treasury, prepared for the Senate Foreign Relations Committee, Jan. 27, 1982 (Special Report #96).

Foreign Aid

International Security and Economic Cooperation Program FY 1983, documents sent to the Congress by Secretary Haig, Mar. 2, 1982 (Special Report #99).

Atlas of U.S. Foreign Relations: Development Assistance Mar. 1982 (*Bulletin* Reprint).

Science & Technology

International Communications and Information Objectives, Under Secretary Buckley Congressional Leadership Group on International Communications, Georgetown University, Mar. 4, 1982 (Current Policy #377).

Security Assistance

Security Assistance for FY 1983, Under Secretary Buckley, Subcommittee on Foreign Operations, House Appropriations Committee, Mar. 11, 1982 (Current Policy #378).

South Asia

Afghanistan Day: Mar. 21, Deputy Secretary Stoessel, Senate Foreign Relations Committee, Mar. 8, 1982 (Current Policy #375).

Western Hemisphere

Caribbean Basin Initiative in Perspective, Deputy Assistant Secretary Bosworth, World Affairs Council, Dallas, Mar. 11, 1982 (Current Policy #381).

Cuban Support for Terrorism and Insurgency in the Western Hemisphere, Assistant Secretary Enders, Subcommittee on Secretary and Terrorism, Senate Judiciary Committee, Mar. 12, 1982 (Current Policy #376).

Caribbean Basin Initiative (GIST, Feb. 1982).
Salvadoran Elections (GIST, Mar. 1982).
Background Notes on Trinidad and Tobago, Jan. 1982. ■

May 1982
Volume 82, No. 2062

Afghanistan. U.S. Issues Report on Chemical Warfare (Stoessel) 57

Arms Control

Alliance Strategy and the INF Negotiations (Burt) 50

Arms Control in Proper Perspective (Rostow) 39

Nuclear Freeze (Burt) 42

Peace and Deterrence (Haig) 31

President Reagan's News Conference of March 31 (excerpts) 29

Secretary Haig Interviewed on "Meet the Press" 35

Status of INF Negotiations 44

U.S. Responds to Soviet Missile Proposal (Reagan, Speakes) 38

Asia. ASEAN-U.S. Dialogue (Stoessel, joint press statement) 45

Canada. Caribbean Basin Initiative Reviewed by Foreign Ministers (joint news conference, joint communique) 64

China. Secretary Haig Interviewed on "Meet the Press" 35

Colombia. Caribbean Basin Initiative Reviewed by Foreign Ministers (joint news conference, joint communique) 64

Congress

Alliance Strategy and the INF Negotiations (Burt) 50

Current State of the CSCE Process (Eagleburger) 53

Sixth Report on Cyprus (message to the Congress) 49

U.S. Participation in Law of the Sea Conference (Malone) 61

U.S.-NATO Defense Relationship (Eagleburger) 48

Cuba

Cuban and Nicaraguan Support for the Salvadoran Insurgency 72

Secretary Meets With Mexican Foreign Minister (news briefing) 68

Cyprus. Sixth Report on Cyprus (message to the Congress) 49

Diplomacy. "The most friendly and beneficial connexion." The Netherlands Recognizes the United States, April 19, 1782 (Wells) 1

Economics

ASEAN-U.S. Dialogue (Stoessel, joint press statement) 45

U.S.-Jamaica Barter Agreement (White House announcement) 68

El Salvador

Cuban and Nicaraguan Support for the Salvadoran Insurgency 72

El Salvador's Elections (Haig) 74

President Reagan's News Conference of March 31 (excerpts) 29

Secretary Haig Interviewed on "Meet the Press" 35

Secretary Meets With Central American Foreign Ministers (Haig) 71

Secretary Meets With Mexican Foreign Minister (news briefing) 68

Europe

Alliance Strategy and the INF Negotiations (Burt) 50

Current State of the CSCE Process (Eagleburger) 53

Proposed CSCE Conference Recess (Department statement) 54

U.S.-NATO Defense Relationship (Eagleburger) 48

France. Visit of French President Mitterrand (Mitterrand, Reagan) 55

Human Rights

Human Rights in Poland (Department statement) 56

Proposed CSCE Conference Recess (Department statement) 54

International Organizations and Conferences. Proposed CSCE Conference Recess (Department statement) 54

Jamaica. U.S.-Jamaica Barter Agreement (White House announcement) 68

Kampuchea. U.S. Issues Report on Chemical Warfare (Stoessel) 57

Laos. U.S. Issues Report on Chemical Warfare (Stoessel) 57

Latin America and the Caribbean

Caribbean Basin Initiative Reviewed by Foreign Ministers (joint news conference, joint communique) 64

Secretary Meets With Central American Foreign Ministers (Haig) 71

Law of the Sea. U.S. Participation in Law of the Sea Conference (Malone) 61

Mexico

Caribbean Basin Initiative Reviewed by Foreign Ministers (joint news conference, joint communique) 64

Secretary Meets With Mexican Foreign Minister (news briefing) 68

Middle East

President Reagan's News Conference of March 31 (excerpts) 29

Secretary Haig Interviewed on "Meet the Press" 35

Military Affairs

U.S. Issues Report on Chemical Warfare (Stoessel) 57

U.S. Program To Deter Chemical Warfare (fact sheet) 58

U.S. Sale of Trident II Missile System to the U.K. (White House statement, exchanges of letters) 59

U.S.-NATO Defense Relationship (Eagleburger) 48

Netherlands

"The most friendly and beneficial connexion:" The Netherlands Recognizes the United States, April 19, 1782 (Wells) 1

Queen Beatrix Visits the United States (Beatrix, Reagan) 25

Nicaragua

Cuban and Nicaraguan Support for the Salvadoran Insurgency 72

Secretary Meets With Mexican Foreign Minister (news briefing) 68

North Atlantic Treaty Organization

Alliance Strategy and the INF Negotiations (Burt) 50

Current State of the CSCE Process (Eagleburger) 53

Status of INF Negotiations 48

U.S.-NATO Defense Relationship (Eagleburger) 48

Nuclear Policy. Alliance Strategy and the INF Negotiations (Burt) 50

Oceans. U.S. Participation in Law of the Sea Conference (Malone) 61

Poland

Human Rights in Poland (Department statement) 56

President Reagan's News Conference of March 31 (excerpts) 29

Proposed CSCE Conference Recess (Department statement) 54

Secretary Haig Interviewed on "Meet the Press" 35

Presidential Documents

President Reagan's News Conference of March 31 (excerpts) 29

Queen Beatrix Visits the United States (Beatrix, Reagan) 25

Sixth Report on Cyprus (message to the Congress) 49

U.S. Responds to Soviet Missile Proposal (Reagan, Speakes) 38

U.S. Sale of Trident II Missile System to the U.K. (White House statement, exchanges of letters) 59

Visit of French President Mitterrand (Mitterrand, Reagan) 55

Publications. 82

Security Assistance. Atlas of U.S. Foreign Relations: National Security A

Terrorism. Terrorists Attacks on U.S. Official Personnel Abroad, 1981 (Duncan) 63

Treaties. Current actions 77

U.S.S.R.

Alliance Strategy and the INF Negotiations (Burt) 50

Arms Control in Proper Perspective (Rostow) 39

Atlas of U.S. Foreign Relations: National Security A

Current State of the CSCE Process (Eagleburger) 53

Nuclear Freeze (Burt) 42

Peace and Deterrence (Haig) 31

President Reagan's News Conference of March 31 (excerpts) 29

Secretary Haig Interviewed on "Meet the Press" 35

Status of INF Negotiations 44

U.S. Issues Report on Chemical Warfare (Stoessel) 57

U.S. Responds to Soviet Missile Proposal (Reagan, Speakes) 38

United Kingdom. U.S. Sale of Trident II Missile System to the U.K. (White House statement, exchanges of letters) 59

United Nations. Human Rights in Poland (Department statement) 56

Venezuela. Caribbean Basin Initiative Reviewed by Foreign Ministers (joint news conference, joint communique) 64

Name Index

Brock, William E 64

Burt, Richard R 42, 50

Castaneda de la Rosa, Jorge 64

Duncan, Evan 63

Eagleburger, Lawrence S 48, 53

Haig, Secretary 31, 35, 64, 68, 71, 74

Malone, James L 61

Mitterrand, Francois 55

Nitze, Paul H 44

Nott, John 59

Queen Beatrix 25

Reagan, President 25, 29, 38, 49, 55, 59

Rostow, Eugene V 39

Speakes, Larry 38

Stoessel, Walter J, Jr 45, 57

Thatcher, Margaret 59

Weinberger, Caspar 59

Wells, Sherrill Brown 1

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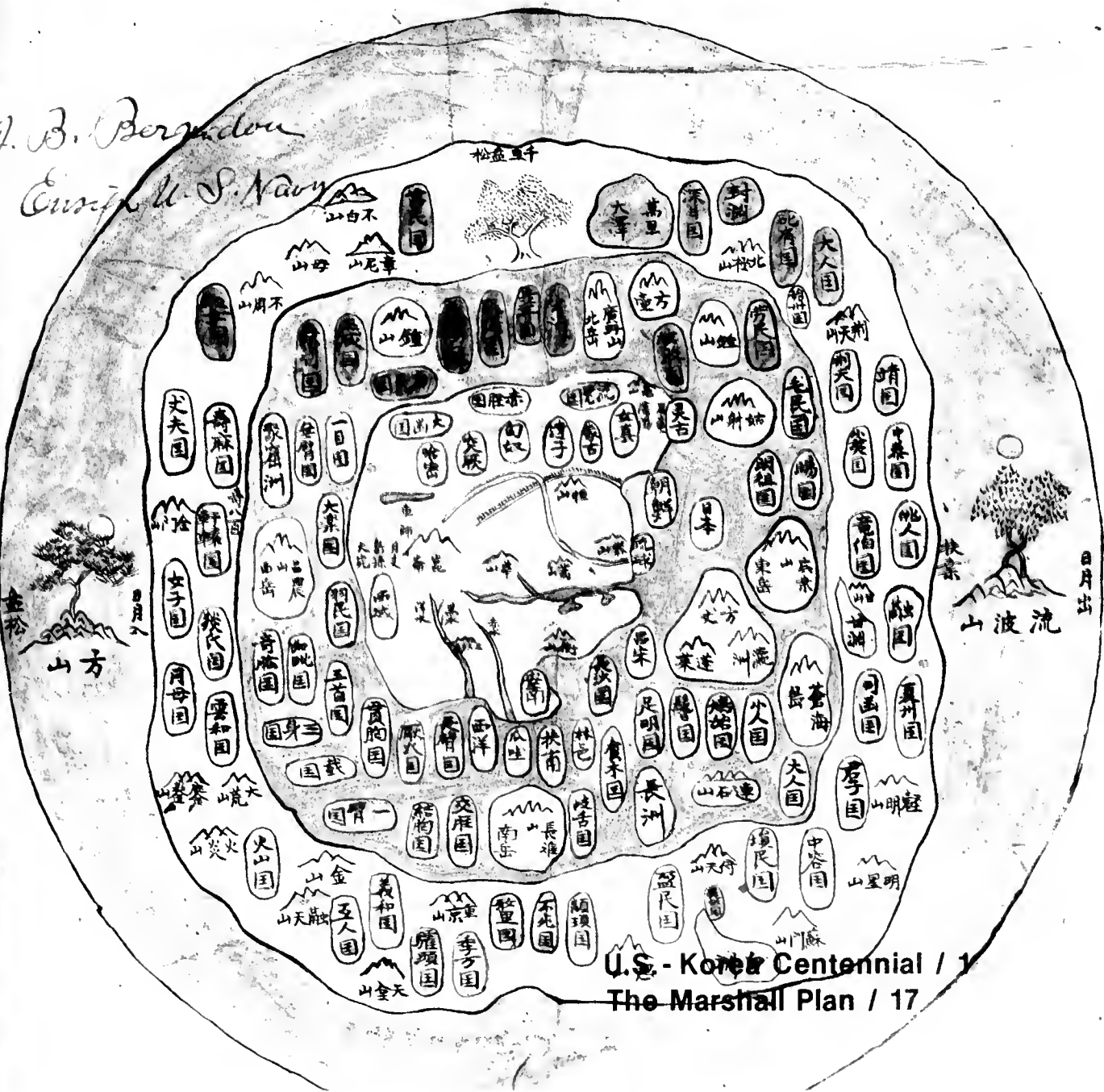
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31
12063

Department of State *bulletin*

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G. B. Bergendon
Chief U.S. Navy



U.S. - Korea Centennial / 1
The Marshall Plan / 17

Department of State *bulletin*

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Cover:

This Korean map of the world dates from the 1860s. The Eurasian land mass is in yellow. The Korean Peninsula is in its proper location, with Japan to its east and the Ryukyus to its south. The Great Wall is to the north in China, which is marked by rivers and mountain ranges, including the Himalayas. The map is part of a collection brought to the United States by Ensign John Baptiste Bernadou, who was in Korea from 1883 to 1885 on assignment by the Smithsonian Institution.

(Smithsonian Institution,
Ethnology Collection)

The DEPARTMENT OF STATE BULLETIN, published by the Office of Public Communication in the Bureau of Public Affairs, is the official record of U.S. foreign policy. Its purpose is to provide the public, the Congress, and government agencies with information on developments in U.S. foreign relations and the work of the Department of State and the Foreign Service.

The BULLETIN's contents include major addresses and news conferences of the President and the Secretary of State; statements made before congressional committees by the Secretary and other senior State Department officials; special features and articles on international affairs; selected press releases issued by the White House, the Department, and the U.S. Mission to the United Nations; and treaties and other agreements to which the United States is or may become a party.

The Secretary of State has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Department. Use of funds for printing this periodical has been approved by the Director of the Office of Management and Budget through March 31, 1987.

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CONTENTS

FEATURES



한미수교100년
1882-1982 KOREA-USA CENTENNIAL



- 1 Establishment of Korean-American Relations: A Centennial
(Harriet D. Schwarz)
- 17 The Marshall Plan: Origins and Implementation
(William F. Sanford, Jr.)

The President

- 4 Arms Control and the Future of East-West Relations
- 7 Visit to Jamaica and Barbados
- 9 Radio Address to the Nation

The Secretary

- 0 American Power and American Purpose
- 4 The Strategic Arms Reduction Talks

Africa

- 6 Communist Influence in Southern Africa *(Chester A. Crocker)*
- 7 Role of the U.S. Private Sector in Zimbabwe *(Chester A. Crocker)*

Antarctica

- 9 U.S. Antarctic Program *(White House Statement)*

Economics

- 0 U.S.-Canadian Economic Relations *(Robert D. Hormats)*
- 5 Foreign Policy Export Controls *(Ernest B. Johnston, Jr.)*

Environment

- 7 International Environmental Issues *(James L. Buckley)*

Europe

- 60 U.S. Relations With West Germany *(Arthur F. Burns)*
- 61 U.S., F.R.G. Sign Wartime Host Nation Support Agreement *(Joint Statement)*
- 62 Seventh Report on Cyprus *(Message to the Congress)*
- 63 Visit of Italian President Pertini

Middle East

- 65 U.S. Policy Toward the Persian Gulf *(Nicholas A. Veliotis)*
- 68 Deployment and Mission of U.S. Forces in the MFO *(President's Letter to the Congress)*
- 68 Libya: U.S. Economic Measures *(Department Statement)*

Nuclear Policy

- 69 Nuclear Common Sense *(Richard T. Kennedy)*
- 71 Nuclear Cooperation With EURATOM *(President's Letter to the Congress)*

Refugees

- 73 U.S. Response to the Worldwide Refugee Crisis *(H. Eugene Douglas, Richard D. Vine)*

Science & Technology

- 78 International Communications and Information Objectives *(James L. Buckley)*

Western Hemisphere

- 81 The Falkland Islands *(Secretary Haig, J. William Middendorf II, White House and Department Statements, Texts of Resolutions, Declaration)*
- 88 Background on the Falkland Islands Crisis *(Neal H. Petersen)*

Treaties

- 90 Current Actions

Chronology

- 92 April 1982

Press Releases

- 93 Department of State

Publications

- 94 Department of State

Index

AUG 25 1982

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Cover:

This Korean map of the world dates from the 1860s. The Eurasian land mass is in yellow. The Korean Peninsula is in its proper location, with Japan to its east and the Ryukyus to its south. The Great Wall is to the north in China, which is marked by rivers and mountain ranges, including the Himalayas. The map is part of a collection brought to the United States by Ensign John Baptiste Bernadou, who was in Korea from 1883 to 1885 on assignment by the Smithsonian Institution.

(Smithsonian Institution,
Ethnology Collection)

The DEPARTMENT OF STATE BULLETIN, published by the Office of Public Communication in the Bureau of Public Affairs, is the official record of U.S. foreign policy. Its purpose is to provide the public, the Congress, and government agencies with information on developments in U.S. foreign relations and the work of the Department of State and the Foreign Service.

The BULLETIN's contents include major addresses and news conferences of the President and the Secretary of State; statements made before congressional committees by the Secretary and other senior State Department officials; special features and articles on international affairs; selected press releases issued by the White House, the Department, and the U.S. Mission to the United Nations; and treaties and other agreements to which the United States is or may become a party.

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- 37 Visit to Jamaica and Barbados
- 39 Radio Address to the Nation

The Secretary

- 40 American Power and American Purpose
- 44 The Strategic Arms Reduction Talks

Africa

- 46 Communist Influence in Southern Africa *(Chester A. Crocker)*
- 47 Role of the U.S. Private Sector in Zimbabwe *(Chester A. Crocker)*

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- 49 U.S. Antarctic Program *(White House Statement)*

Economics

- 50 U.S.-Canadian Economic Relations *(Robert D. Hormats)*
- 55 Foreign Policy Export Controls *(Ernest B. Johnston, Jr.)*

Environment

- 57 International Environmental Issues *(James L. Buckley)*

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- 60 U.S. Relations With West Germany *(Arthur F. Burns)*
- 61 U.S., F.R.G. Sign Wartime Host Nation Support Agreement *(Joint Statement)*
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- 71 Nuclear Cooperation With EURATOM *(President's Letter to the Congress)*

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- 88 Background on the Falkland Islands Crisis *(Neal H. Petersen)*

Treaties

- 90 Current Actions

Chronology

- 92 April 1982

Press Releases

- 93 Department of State

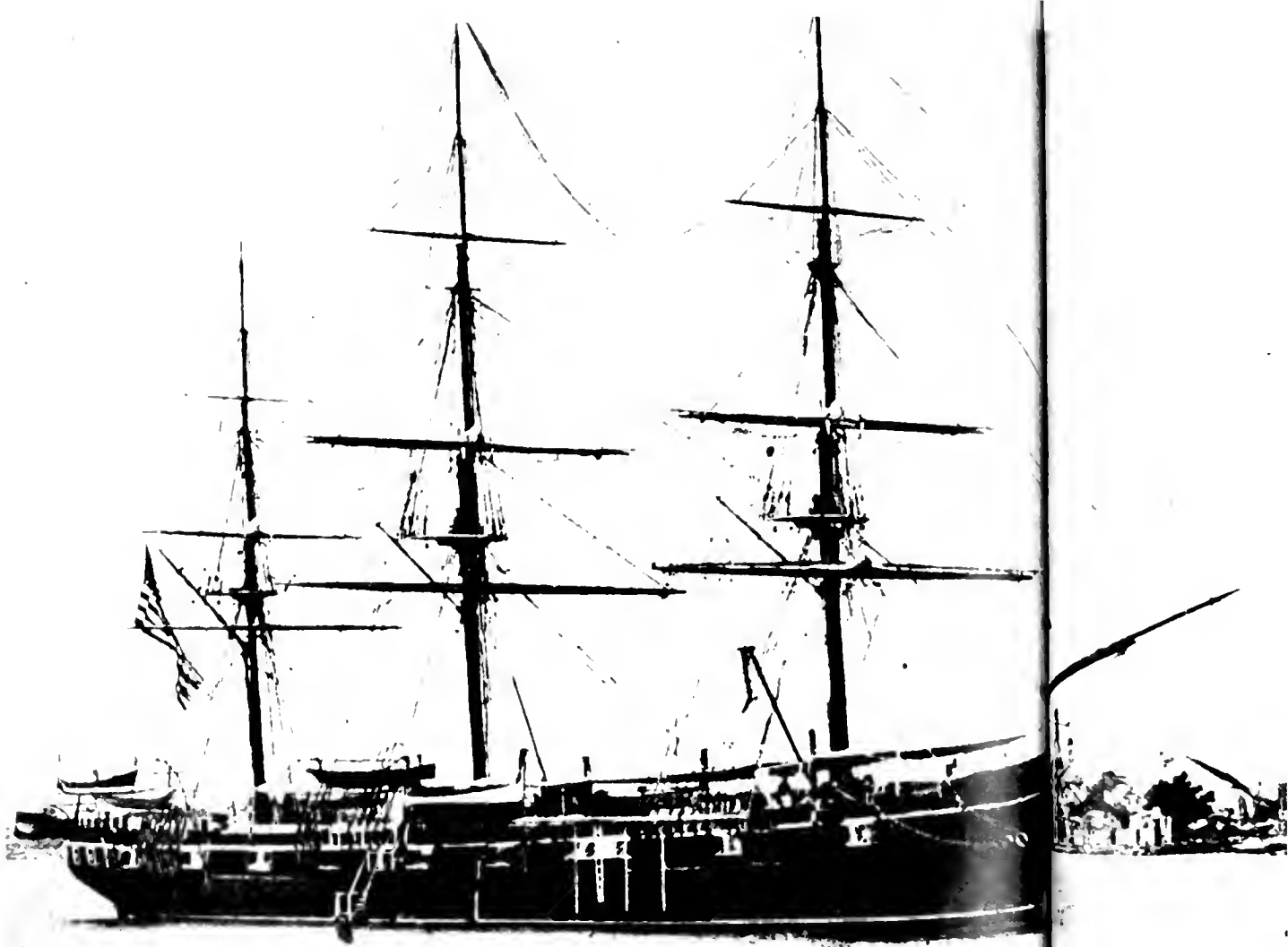
Publications

- 94 Department of State

Index

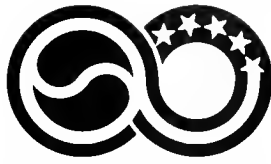
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The U.S.S. *Swatara*, a wooden cruiser powered by steam and sail, carried Commodore Robert W. Shufeldt to Korea in May 1882 for the signing of the first treaty between Korea and any Western nation. Originally launched in May 1865 and rebuilt in 1872-73, the *Swatara* exemplified the growing obsolescence of the U.S. Navy in the post-Civil War years. Shufeldt complained that the ship, although one of the best of her class, was inferior in speed and fire-power to the two Chinese vessels which were to accompany her to Korea.

(U.S. Naval Historical Center)



한미수교100년
1882-1982 KOREA-USA CENTENNIAL



Establishment of Korean-American Relations: A Centennial



by Harriet D. Schwar



The day was bright, with a touch of haze in the air. The wooded hills that surrounded the harbor were clothed in the soft green of May; the little village that nestled beneath them was barely visible among the greenery. On the outskirts of the village stood a brightly colored tent, with silk banners fluttering in the breeze. In the harbor, surrounded by innumerable fishing junks, four ships rocked peacefully at anchor. Two bore the flag of Imperial China, one carried the banner of Meiji Japan, and one flew the Stars and Stripes.

As the morning sun climbed in the sky, there was a sudden flurry of activity. Boats were lowered from the American ship, and a small party of men rowed ashore. The officers of the Chinese and Japanese ships looked on with interest as the Americans disembarked and made their way on foot along the shore. A file of Marines, carrying the American flag, led the procession, followed by some 15 of the ship's officers, resplendent with gold braid on dress uniforms. A tall bearded man with an authoritative stride was obviously in command.

Outside the tent, the tall man was greeted by two Koreans in ceremonial robes, accompanied by other Korean and Chinese officials. They exchanged bows and entered the tent, where they drank tea and conversed for a while. Then the tall man and the two Koreans signed and sealed a document in English script and Chinese characters. When they emerged from the tent, more bows were exchanged, and the American ship in the harbor fired a 21-gun salute.

The date was May 22, 1882, and the village was Chemulpo, Korea, now part of modern Inchon. The bearded man was Commodore Robert W. Shufeldt of the U.S. Navy, commissioner and envoy from President Chester A. Arthur. The Koreans were Sin Hon and Kim Hong-jip, members of the Royal Cabinet and representatives of King Kojong. The document they signed was a treaty of amity and commerce establishing diplomatic relations between the United States and the Kingdom of Chosen, or Korea.¹

Korean Seclusion

The treaty signed at Chemulpo in 1882 was not only the beginning of relations between the United States and Korea but was the first treaty between Korea and any Western nation. It marked the end of a centuries' old policy of Korean seclusion. Decades after the opening of diplomatic and trade relations between China and the Western powers, Korea still rejected contacts with outsiders, fearing that they might undermine ancient Korean culture and traditional Confucian society. It was hardly an exaggeration to call Korea, as did a book published that year, a "hermit nation."²

For 250 years, Korea had lived at peace with only minimal dealings with its neighbors. The relationship between Korea and China had traditionally been a tributary one. The kings of Korea's Yi dynasty were invested by the Chinese Emperors and sent regular tribute missions to Beijing, but for all practical purposes, the kingdom was independent. Korea traded only with China and Japan and kept tight restrictions on its trade with both. Commerce between Korea and China was limited by law to a few border towns, while Japanese traders in Korea were confined to the port of Pusan.³

In the 1860s, just as Western ships were appearing off Korean coasts with some frequency, Korea's resistance to foreign contacts heightened. Between 1864 and 1873, the Korean Government was dominated by the Taewongun, the father of the child ruler, King Kojong. The Taewongun tried to revive and conserve traditional Korean society with a variety of reforms, and he strengthened Korea's military defenses in order to maintain its isolation.⁴

Of what country are you? For what purpose do you come here? On what month and day did you start and from what place did you come all the way here? Are you well after your journey of ten thousand li through winds and waves? Is it your plan to barter merchandise or is it simply your plan to take a general view of the hills and rivers, or do you rather wish to pass by to other parts and so return to your native land? All under heaven are of one original nature, clothes and hats are very different and language is not the same, yet they can treat each other with mutual friendship. What your wish is, please make known, and do not conceal anything.

From a translation of a message from the Prefect of San Hoa to Commander Febiger of the U.S.S. *Shenandoah*, April 15, 1868. (Papers of Robert W. Shufeldt, Library of Congress.)



What affairs would you transact? What words speak? Will you wish to take possession of our land and people, or will you wish to consult upon and carry out friendly relations? If you are going to want us to give away land and people, then let me ask how can 3,000 li of river, hill, city, and country be lightly thrown away? If you will desire us to agree to negotiate and carry out friendly relations, then let me ask how can 4,000 years' ceremonies, music, literature, and all things, be, without sufficient reason, broken up and cast away? It does not consist with right, it cannot be spoken of.

From a translation of a message from the Prefect of Fu Ping to the U.S. Minister to China, Frederick F. Low, June 3, 1871. (*Foreign Relations of the United States*, 1871, pp. 130-131.)



Early Korean-American Contacts

U.S. interest in Korea stemmed from American trade in East Asia, which was as old as the republic; the first American ship to enter the China trade, the *Empress of China*, visited there in 1784. Initially, American traders, like European merchants, approached China from the south, but after the United States became a Pacific power with the acquisition of California in 1848, the American view of Asia changed. In 1853 Commodore Matthew Perry sailed into Tokyo Bay and opened relations with Japan. In the following decades, American trade with Japan grew rapidly; with increasing frequency, American vessels sailed across the Pacific. If they called at Japanese and Chinese ports, they were apt to venture into Korean waters.

In 1853 an American whaling vessel, the *South America*, called at Pusan. Its captain, his wife and child, and the crew were apparently the first Americans to

visit Korea. The Americans dropped off two Japanese sailors who had been rescued by another whaler; they stayed 10 days and were treated with hospitality. Two years later, four young American sailors, deserters from another American whaler, the *Two Brothers*, were cast ashore by a gale on Korea's east coast near Wonson. The Koreans, as was their custom with stranded mariners, treated the men kindly. They provided them with food and clothing, escorted them to the Manchurian border, and turned them over to the Chinese authorities. The crew of the schooner *Surprise*, wrecked off the Korean coast in June 1866, received similar treatment.⁵

By the time news of the *Surprise* reached Washington, it was accompanied by reports that another American trading vessel, the *General Sherman*, had entered Korean waters and that a Korean mob had burned the ship and killed its crew. Although the

Incheon harbor in the 1880s.

(Smithsonian Institution, National Anthropological Archives Collection)

details of this episode remain obscure, it is clear that the *General Sherman*, an armed ship with a crew of various nationalities, had traveled many miles up the Taedong River toward Pyongyang, in violation of Korean law and to the consternation of the local inhabitants.⁶

U.S. Navy officials, puzzled by the dissimilar treatment of the two ships, assigned one of the ships of the Asiatic Squadron, the *Wachusett*, under Commander Robert W. Shufeldt, to investigate the disappearance of the *General Sherman* and rescue any crew members who might have survived. In January 1867, Shufeldt anchored off the coast of Korea for the first time. The Taedong River was frozen and inaccessible, but he dispatched a letter through local officials to the King of Korea, expressing gratitude for the treatment of the crew of the *Surprise* and inquiring about the *General Sherman*. Before



Robert W. Shufeldt

Robert Wilson Shufeldt (1822-95) was one of the leading American naval officers of his day. Born in New York, he spent his early life in the Navy and Merchant Marine, served as Consul General in Havana from 1861 to 1863, and returned to the Navy in 1863 as a commander. An advocate of naval expansion in an era when the U.S. Navy became almost moribund, he published *The Relation of the Navy to the Commerce of the United States* in 1878. During the next 2 years, he commanded the U.S.S. *Ticonderoga* on a world cruise to African and Asian ports, carrying out missions for the State and Navy Departments in such diverse places as Madagascar, Oman, and Borneo.

Shufeldt's negotiation of the treaty with Korea was the highlight of his career. His achievement was marred, however, by the publication of a letter he had written in anger and frustration to his friend, former Senator Aaron Sargent, criticizing the Chinese in general and Li Hongzhang and the Empress Dowager in particular. The letter, written in December 1881, was published in San Francisco in March 1882, but, fortunately for Shufeldt's negotiations, did not reach China until May, when he was already on his way to Korea. Its publication appalled Secretary of State Frelinghuysen, who told the U.S. Minister to China that he should state, if asked, that the letter was entirely unauthorized and much regretted.

Shufeldt was rewarded for his success in negotiating the treaty with the rank of rear admiral, but the letter to Sargent barred him from command of the Asiatic Squadron; he was assigned instead to a desk job in Washington. As President of the Naval Advisory Board until his retirement in 1884, he participated in planning the construction of the "New Navy." In 1887, he finally visited Seoul and was received with great warmth and cordiality by the young monarch, King Kojong. ■



(National Archives, Record Group 19N, Bureau of Ships Records)



ceiving a reply, however, he learned from residents of the area that a Western ship had been burned a few months earlier and all hands killed in a fracas on shore. Meanwhile, the increasingly severe weather made him fearful that his ship would be icebound through the harsh Korean winter, and he departed without waiting for an answer to his letter.

A year later, the *Shenandoah*, under commander John C. Febiger, visited Korea on the same mission. Febiger was given a letter from a local magistrate, replying to Shufeldt's letter to the king, which charged that the *General Sherman's* crew had committed piracy and had kidnapped a local official. Although Febiger was unconvinced by the letter, he was satisfied that rumors of imprisoned survivors were unfounded.⁷

The episode apparently convinced the Navy Department of the necessity of concluding a treaty with Korea for the protection of shipwrecked sailors. In April 1870, the Department of State instructed the U.S. Minister to China, Frederick C. Low, to visit Korea and endeavor to obtain a treaty; he was to travel with as many ships as could be spared from the Asiatic Squadron but avoid the use of force if possible.

In May 1871, Low arrived near present-day Inchon with five ships under the command of Rear Admiral John Rodgers. Refusing to deal with the local officials who greeted him, Low sent a message to Seoul that he wanted to open relations with the Korean Government and that his intentions were peaceful. While he waited for the appearance of an envoy from the capital, two of the ships headed northward to survey the passage between Kanghwa Island and the mainland, which led to the river approach to Seoul. It was an area about which the Koreans were particularly sensitive, although the Americans did not know it, and without warning, camouflaged shore batteries fired on the ships. Low and Rodgers, indignant at the "unprovoked and wanton" attack, felt that U.S. honor demanded retribution; two ships returned to the

scene of the attack a week later and, despite fierce Korean resistance, demolished five forts. Low's subsequent efforts to prevail upon the local magistrate to forward a communication to the court at Seoul were unavailing, and the naval expedition left Korea.⁸

The Beginning of Change in Korea

Several years passed before Washington's next attempt to establish contact with Korea. Meanwhile, changes were taking place in the ancient kingdom. In 1874, the Taewongun fell from power, and the young King Kojong assumed authority. In 1876 Korea and Japan concluded a treaty establishing diplomatic relations and providing for negotiations to open additional ports to Japanese trade. It was Korea's first modern treaty; still, it merely formalized and extended a longstanding relationship. Toward the rest of the world, Korea maintained its policy of isolation.

China was concerned about Korea's continuing seclusion. The declining Qing empire faced two neighboring expansionist powers: Meiji Japan, rapidly modernizing and looking outward, and Tsarist Russia, continuing its expansion into Siberia. Either one, in control of Korea, would be in a position to threaten Manchuria. In the summer of 1879, Russia was the major threat; war between Beijing and Moscow seemed likely, and a large Russian fleet was in Chinese waters.

Officials in Beijing, aware that China did not have the military strength to defend Korea, concluded that the best protection for Korea would be to enter diplomatic relations with the Western powers. In August 1879, Li Hongzhang, Viceroy of Zhili Province and Superintendent of Trade for the North, who was largely responsible for China's foreign relations, wrote to a leading Korean official urging that Korea establish treaty relations with the Western nations. It was, Li wrote, a strategy of "attacking one poison with another poison."⁹ The young King Kojong was favorably disposed to this idea, but his ministers were divided, and no decision was reached.

Shufeldt's First Approach to Korea

In April 1878, Senator Aaron Sargent of California, Chairman of the Senate Committee on Naval Affairs, introduced a resolution to authorize the negotiation of a commercial treaty with Korea. The resolution was buried in committee but it served to recall Korea to official Washington and to suggest that opening relations with Korea might provide a new market for American goods.¹⁰ It was probably inspired by Sargent's friend and neighbor Robert Shufeldt, now a commodore, who since his visit to Korea with the *Wachusett*, had conceived the idea of playing the role in Korea which Perry had played in Japan.

In the autumn of 1878, Shufeldt set sail eastward from Norfolk on a global cruise aboard the U.S.S. *Ticonderoga*, with instructions from Secretary of the Navy Richard W. Thompson to visit "the unfrequented ports of Africa, Asia, the islands of the Indian Ocean, and the adjacent seas . . . with a view to the encouragement and extension of American commerce." One of his assignments, probably suggested by Shufeldt himself, was to visit Korea and to try to open peaceful negotiations.¹¹

Secretary of State William M. Evarts approved the instructions. He noted that the Department of State had received a report that Korea had a new king who might be favorably disposed to establishing diplomatic relations. If Shufeldt found this to be so, he might cautiously explore the new government's willingness to conclude a commercial treaty with the United States. In view of the recently concluded treaty between Japan and Korea, Evarts suggested approaching Korea with Tokyo's assistance.¹²

A year and a half later, in April 1880, Shufeldt arrived in Nagasaki, en route to Korea. The American Minister in Tokyo, John A. Bingham, had obtained for him a letter of introduction to the Japanese Consul at Pusan from the



Foreign Minister, Inoue Kaoru. In Nagasaki, Shufeldt gathered maps and charts of Korean waters. He drafted a letter to the King of Korea, recalling his earlier letter and proposing a treaty to provide for the protection of shipwrecked mariners and to give the United States commercial facilities like those given to China and Japan. The Chinese Consul at Nagasaki, who called on Shufeldt, showed a great deal of interest in his mission. He told the Commodore that Beijing had advised Korea to make treaties with foreign powers. Shufeldt was encouraged.¹³

On May 4 Shufeldt arrived at Pusan and gave the Japanese Consul Inoue's letter and his own letter to the King. When he visited the consul the next day, however, he learned that the district governor had refused to transmit the letter to the King. The consul was not authorized under the treaty to communicate with the court at Seoul, and the district governor had no authority to communicate with any foreigners except the Japanese.¹⁴

Disappointed but determined, the Commodore returned to Japan, going this time to Tokyo, where he and Bingham urged Foreign Minister Inoue to send a letter to Korea enclosing Shufeldt's letter to the King. Although dubious about this procedure, Inoue agreed to send a letter to the Korean Minister of Ceremony, provided that Shufeldt awaited the reply in Nagasaki rather than returning to Pusan.¹⁵

Shufeldt's hopes revived. "If I can only get the gate ajar to the 'forbidden land,'" he wrote his daughter, "I think I can get in."¹⁶ If Japan's assistance did not bring results, he suggested to the Navy Department, a show of force would surely do so. Washington's response to this suggestion was swift and unambiguous; a cable was despatched to Shufeldt at once directing him to use only persuasive means and to avoid hostilities.¹⁷

In mid-August, Shufeldt learned that his latest approach to Korea had failed. The Minister of Ceremony had returned his letter to the King unopened, explaining to Inoue that it was unacceptable because it was addressed to Koryo (the

name of the kingdom under an earlier dynasty) rather than Chosen and because it was addressed directly to the King. Shufeldt was angry and suspect the Japanese of undermining his approach, but it is evident in retrospect that the Korean Government was simply not ready to reverse its traditional policy.¹⁸

Shufeldt's Visit to Li Hongzhang

Meanwhile, Shufeldt had received encouragement from an unexpected source. Li Hongzhang, one of the most powerful men in China, had heard about Shufeldt's mission from the Chinese Consul at Nagasaki. Li wanted to meet Shufeldt and had invited him to come to Tianjin.¹⁹ Shufeldt was delighted to accept. He sailed to China and proceeded to Tianjin by packet boat, where he met with Li on August 26.

The Viceroy received his American guest with much cordiality. He began the conversation by asking what he could do for his visitor. Shufeldt replied by requesting the use of Chinese influence to persuade Korea to make a treaty for the protection of shipwrecked sailors. After some discussion focusing on Korea's strategic location, the Viceroy agreed to send a message to Seoul recommending a treaty with the United States. The conversation then turned to naval matters. Li wanted Shufeldt's views on the condition of Chinese naval forces and hinted that he might put him in charge of their development, a prospect which much excited the Commodore.²⁰

Since Shufeldt had been warned that a reply from Korea might not come for several months, he returned to the United States on the *Ticonderoga* in the fall of 1880, hopeful that his efforts would finally bear fruit. In fact, events to which his mission had contributed were already in motion, although he was unaware of them.



Woodblock card plate for Xue Feier (Robert W. Shufeldt) in Chinese characters. It was designed and presented by Li Hongzhang to Shufeldt ca. 1880-82.

(Smithsonian Institution, Ethnology Collection)



Li Hongzhang

Li Hongzhang (1823-1901) was one of the foremost leaders in late 19th century China. (His name is more familiar to American students of that era in the Wade-Giles transliteration as Li Hung-chang.) After studying the traditional Chinese classics, Li became a governmental official and rose rapidly in the bureaucracy. In the 1860s, he played a leading role in suppressing the Taiping rebellion, making use of foreign-trained troops under the British General Charles George "Chinese" Gordon. In 1870 he was appointed Viceroy of Zhili Province (modern Hebei) and Superintendent of Trade for the North, positions which he held for the next quarter century.

Li is known as an innovator who sought to preserve traditional Chinese society by utilizing Western technology, especially to strengthen China's military and naval forces. His efforts in this direction were limited, however, by the conservatism of the Beijing government, dominated by the Empress Dowager, who in the 1880s squandered funds needed for China's navy to build the Summer Palace.

As Superintendent of Trade for the North, Li was involved with almost every aspect of China's foreign relations and was virtually *de facto* foreign minister for the last quarter of the 19th century. Although he was an astute and skilled diplomat, the Qing Empire's military weakness made the task of defending Chinese interests a difficult one. Some of the agreements Li was compelled to conclude were no doubt as unpalatable to him as they were unpopular in Beijing.

In 1896 Li toured Europe and the United States, after representing China at the coronation of Tsar Nicholas II. He made a triumphal progress—received in Berlin by the Kaiser, in London by Queen Victoria, and in Washington by President Grover Cleveland. Everywhere he went, the aging Viceroy—5 feet tall, commanding in appearance, and formidable in conversation—made a great impression on his audiences. ■



(Photo by L.F. Fiesler, 1874, Library of Congress)



A Decision in Korea

During Shufeldt's visit to Tokyo in May, he had visited the Chinese Legation. The Chinese Minister and Counselor, Ho Ruzhang and Huang Zunxian, who shared Li Hongzhang's concern about Russian designs on Korea, were very interested in Shufeldt's mission. The Commodore was received, he wrote to his daughter, "with impressive attention."²¹

Later that summer, about the time Shufeldt went to Tianjin, a Korean envoy, Kim Hong-jip, arrived in Tokyo. During his stay there, Ho Ruzhang and Huang Zunxian discussed with him the arguments in favor of Korea's establishing relations with the West and especially the United States. Huang set forth his reasoning in a paper which argued that for protection against Russia, Korea should maintain its close

relations with China and association with Japan and should establish relations with America.

In October 1880, Kim Hong-jip returned to Seoul and presented Huang's paper to King Kojong. The young King, impressed by its argumentation, immediately gave it to his chief advisers and requested their opinions. On October 11, the King met with his ministers to discuss the paper. The meeting was a major turning point for Korea. Not only the King but his advisers agreed that the threat to Korea's security necessitated entering relations with the West and that a new American envoy would be well received.²²

By the time an emissary from Li Hongzhang reached Seoul with Li's recommendation, he found the Korean court already persuaded. A letter from Seoul expressing regret for the brusque rejection of Shufeldt's letter and declar-

This view of Seoul, in the 1880s, was taken south of the city. The large structure at right center is the South Gate, which still stands.

(Smithsonian Institution, National Anthropological Archives Collection)

ing Korea's readiness to conclude a treaty with the United States reached Li in February. He sent word at once to Shufeldt that the Koreans were willing to negotiate and urged him to return to Tianjin in the spring to make the treaty.²³

In recommending a treaty with the United States, the Chinese were assuming that Korea's first treaty with a Western power would serve as a model for subsequent treaties. Later, after the treaty was concluded, officials in Beijing told European diplomats that China had assisted the United States because American policy toward China was relatively conciliatory and especially because an 1880 Sino-American agree-



ent had included a ban on opium traf-
 .²⁴ Although Americans were quite
 lling to enjoy the same privileges
 anted to other foreigners, and indeed,
 sisted on them, the United States had
 t taken the lead in wresting conces-
 ons from China. Furthermore, Li and
 e Chinese diplomats in Japan had
 arned from their conversations with
 ufeldt that Washington's terms for a
 eaty would be moderate in comparison
 ith what Seoul might expect from Lon-
 on, Paris, or Berlin.

Negotiations Delayed

n June 1881, Shufeldt returned to Tian-
 n with instructions from Secretary of
 tate James G. Blaine to report on the
 orean Government's readiness to
 egotiate a treaty of amity and com-
 erce. When he saw Li Hongzhang,
 owever, the Viceroy told him the pro-
 posed treaty had encountered opposition
 n Korea. A Sino-Russian agreement had
 nded the threat of war and lessened
 he Koreans' fear of Russia, and a
 rong faction was opposed to opening
 elations with the West.²⁵

King Kojong's plan to end Korean
 solation and the program of moderniza-
 on which he had undertaken had
 roused a storm of protest. News of the
 ourt's decision to seek treaty relations
 ith the West had leaked, and conserva-
 tive mandarins charged in numerous
 emorials to the throne that such a step
 ould undermine the foundations of the
 onfucian state. So intense was the op-
 osition that it led to an abortive at-
 empt in the fall of 1881 to depose King
 Kojong and restore the Taewongun to
 power.²⁶

Shufeldt, in Tianjin, was unaware of
 ll this. As the months slipped by, his
 dream of playing Perry's role in Korea
 aded. Chester Holcombe, the U.S.
 Charge in Beijing, an experienced China
 and and Chinese linguist, thought the
 prospects for a treaty were poor. Now
 hat the Russian crisis had passed, he
 old Shufeldt, China would use its in-
 fluence against a treaty. Li Hongzhang,



(Smithsonian Institution, National Anthropological Archives Collection)

King Kojong

Yi Myong-bok (1852-1919), known to
 history as King Kojong, later the
 Emperor Kojong, reigned over Korea
 for more than 40 tumultuous years. He
 was the 26th King of Korea's Yi dynas-
 ty, which had ruled since 1392. He
 became King in 1864 at the age of 11,
 selected for the throne by the dowager
 queen, according to custom, when his
 predecessor died without an heir. During
 the first decade of his reign, his father,
 who assumed the title of Taewongun
 (Grand Prince), dominated the govern-
 ment. The young King gradually
 asserted his authority, and in 1873, he
 assumed actual power.

Whereas the Taewongun made
 strenuous efforts to preserve traditional
 social and economic structures and
 forcefully maintained Korea's longstand-
 ing policy of seclusion, Kojong initiated
 a program of modernization and pre-
 sided over the opening of Korea to

diplomatic relations and trade with the
 West. From the outset, his reign was
 troubled by factional struggles, to which
 his father's supporters and his wife's
 relatives contributed. Domestic politics
 soon became intertwined with interna-
 tional rivalries, as Japan, Russia, and
 China all endeavored to extend their in-
 fluence.

Although Kojong was unable to pre-
 vent Japan's eventual victory in the in-
 ternational contest for control of the
 strategic peninsula, he opposed the
 establishment of a Japanese protectorate
 in 1905 and tried vainly to enlist interna-
 tional support for Korean independence.
 In 1907, he abdicated under Japanese
 pressure in favor of his son, who ruled
 until Japan's annexation of Korea in
 1910. Kojong's death in 1919 recalled his
 efforts in his country's behalf and
 sparked nationalist demonstrations
 throughout Korea. ■



who had been so cordial when Shufeldt first visited Tianjin, now had little time for him. He continued to hint at a naval position for Shufeldt, but the Commodore finally stood on his dignity and told Li he could not accept such a position. He became convinced that Li was not dealing honestly with him.²⁷

Shufeldt's frustration was increased by his awareness that political changes were taking place in Washington. The assassination of President James A. Garfield had elevated Chester A. Arthur to the presidency. Since Arthur's wing of the Republican Party was bitterly hostile to Garfield's, his succession insured a political turnover throughout the government. He would certainly name a new Secretary of State, who would probably be more cautious than the activist Blaine and might well recall Shufeldt if he had nothing to show for his months in Tianjin.

Decisions in Seoul and Washington

Finally, in mid-December, Li told Shufeldt that he had received a letter from Korea replying to the message he had sent in June. At last the Korean Government was ready to make a treaty. On December 19, Holcombe cabled the news to Washington.²⁸

Meanwhile, although Shufeldt did not know it, his commission from President Arthur to negotiate a treaty with Korea, which Blaine had arranged before leaving office, was on the way to Tianjin. Blaine had also sent instructions that Shufeldt should conclude a treaty for the protection of shipwrecked vessels and sailors, and, if possible, a commercial treaty similar to U.S. treaties with China and Japan. He should not go to Korea, however, unless he had reason to believe that negotiations would be fruitful; Blaine did not want an American envoy to be turned away again empty-handed.²⁹

Blaine's successor, Frederick T. Frelinghuysen, having received Holcombe's message that Korea was prepared to negotiate a treaty, confirmed these instructions in January 1882.

Because of the distance involved and Korea's isolation, Frelinghuysen noted, the negotiations would have to be left largely to Shufeldt's discretion.³⁰

Negotiations in Tianjin

Both Blaine and Frelinghuysen assumed that the negotiations would take place in Korea, perhaps in Pusan. Both Li Hongzhang and the Korean court preferred otherwise, although for different reasons. Li wanted to insure that the treaty would not conflict with China's interests and views, while the Korean court, because of domestic opposition to a treaty, was anxious to have China assume some of the responsibility. At the initial meeting between Shufeldt and Li on March 25, 1882, Li stated that because of opposition to a treaty by a faction in Korea, the King would send an ambassador to Tianjin to negotiate the treaty under Li's supervision. Shufeldt and the ambassador would then go to Korea for the treaty's signature. Actually, a Korean official, Kim Yun-sik, was already in Tianjin. He consulted regularly with Li during the negotiations but did not meet directly with Shufeldt.³¹

At their March 25 meeting, Shufeldt and Li Hongzhang exchanged treaty drafts. Shufeldt and Chester Holcombe had prepared a draft based on U.S. treaties with China and Japan; Li's draft had been the subject of consultations with the Koreans. The two drafts differed in some significant respects, but Shufeldt thought the two could be reconciled.

The major point at issue concerned the first article of Li's draft, which read in part: "Chosen being a dependent state of the Chinese Empire, has nevertheless heretofore exercised its own sovereignty in all matters of internal administration and foreign relations."³² Holcombe had anticipated this. He had reported to the Department in December that Li would try to put a clause in the treaty asserting Chinese suzerainty over Korea. Holcombe thought such a clause would be neither acceptable nor correct; he commented that Korea was "to all intents and purposes" an independent

kingdom, and the tributary relationship was purely ceremonial.³³ Indeed, on numerous occasions in the past, the Chinese Government had disclaimed responsibility for events in Korea.³⁴

At a meeting on April 6, Shufeldt and Li argued this point at some length. Shufeldt read a statement he had prepared, arguing that if Korea was sovereign in both internal and external matters, its relationship to China was not relevant to its relations with the United States. Furthermore, he noted since the article also included language pledging assistance in case of unjust or oppressive action by other powers, it would, in effect, make the United States and China the joint protectors of Korea. This, said Shufeldt, he could not do; he was only authorized to make a treaty of friendship and commerce, not a political alliance. Finally the Viceroy proposed a compromise: after the signature of the treaty, the Korean Government would send a communication to the U.S. Government stating that the treaty had been made with the consent of the Chinese Government. Shufeldt agreed that he would transmit such a letter to Washington.³⁵

When Shufeldt held a final meeting with Li a few days later, however, the Viceroy made a final effort to include language asserting Korean dependence. He told Shufeldt that Beijing insisted on it, although only a few days earlier, Holcombe had found officials there anxious to have the treaty concluded and not at all disposed to insist on Li's language. Shufeldt again refused, but finally agreed to refer the question to the State Department. He cabled Washington on April 12: "May I insert in treaty with Corea an article admitting dependence of Corea upon China, China conceding sovereign powers to Corea. They desire it. I have objected." After a week with no reply, he sent another telegram, but again no answer came.³⁶

The State Department's failure to respond to Shufeldt's cables baffled the Commodore and puzzled later historians. The volumes of handwritten despatches from China include copies of the telegrams but no record of any reply. There is a clue, however, in a letter sent to Secretary Frelinghuysen on May 1,



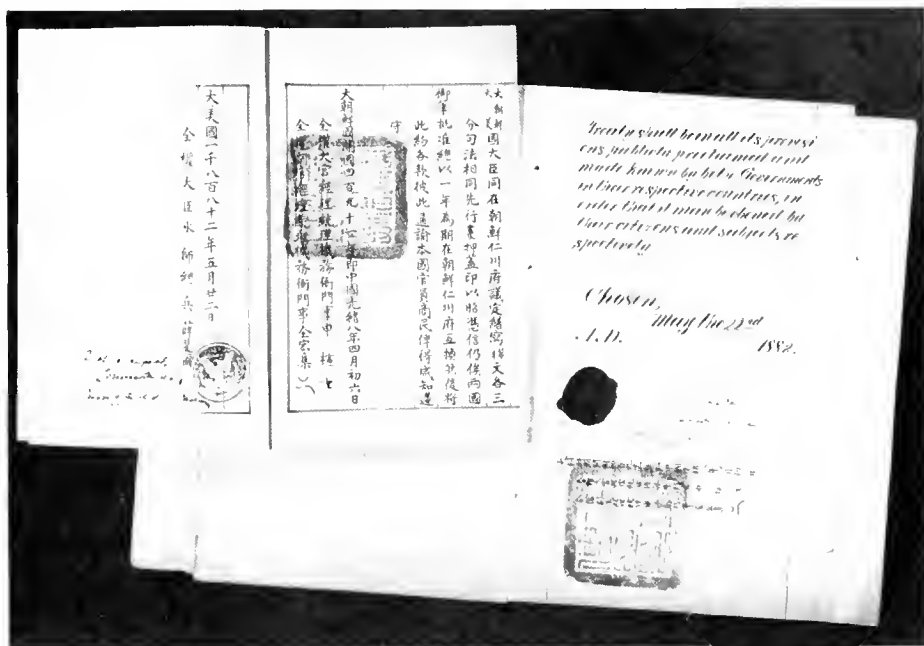
1882, by John Russell Young, the newly appointed Minister to China.

Young had apparently been in Washington for discussions at the department when Shufeldt's cables arrived. Secretary Frelinghuysen, like any busy executive, turned to a subordinate for information and advice; he asked Young to review the file and prepare a memorandum. Young wrote that he had done so, but he had been delayed, because in preparation for his departure for China he had to take care of many personal affairs, "not the least of them my marriage."

The memorandum which Young enclosed did not try to resolve the vexing question of Korean independence. If Korea was independent, he commented, the United States and Korea could make a treaty without regard to China; if it was not, the United States should deal with China on all matters relating to Korea. If the question was in doubt, which he thought was probably the case, Young questioned whether the United States should try "to settle it by the indirect method of a commercial treaty." Nevertheless, he thought a commercial treaty with Korea would have value. He also thought the United States should use its good offices to protect Korea insofar as this could be done gracefully and effectively.³⁷

While Secretary Frelinghuysen pondered this advice, the necessity of a reply to Shufeldt's telegrams was overtaken by events. Another telegram arrived with the laconic message: "Have gone to Corea."³⁸ Since Korea was not yet linked with the rest of the world by cable, Frelinghuysen could only await the Commodore's next report.

Li Hongzhang had yielded the point. He had dropped his insistence on language asserting Korean dependency and had sent two warships to Korea with his representatives carrying the agreed draft treaty. Shufeldt followed in the *Swatara*, a small vessel borrowed from the Asiatic Squadron.



Conclusion of the Treaty

The *Swatara* anchored in Inchon harbor on May 12. During the next few days, Shufeldt met with the Korean envoys, Sin Hon and Kim Hong-jip, and with Li Hongzhang's representatives, Ma Jianzhong and Admiral Ding Ruchang. Korean junks visited the *Swatara* almost daily with gifts of chickens, eggs, and beef for the American visitors.

In the final stage of negotiations, Shufeldt rejected a final effort by Ma to include language in the treaty asserting Korean dependency, agreeing only, as he had earlier, to transmit a letter with such a statement to Washington. The only significant change made in the draft treaty was the addition of a clause prohibiting the export of grain from Inchon, a Korean proposal which Shufeldt accepted. Although this was a point of small consequence to the United States, it was of some moment to Korea, which had suffered from several famines in the previous few years.³⁹

Shufeldt, Sin, and Kim met at Inchon on May 20, exchanged credentials, and agreed on the final text of the treaty. The first article read as follows:

The treaty between the United States and Korea was signed by Commodore Robert W. Shufeldt for the United States and by Sin Hon and Kim Hong-jip for Korea.

(National Archives, Record Group 11 - General Records of the U.S. Government)

There shall be perpetual peace and friendship between the President of the United States and the King of Chosen and the citizens and subjects of their respective Governments.

If other Powers deal unjustly or oppressively with either Government, the other will exert their good offices, on being informed of the case, to bring about an amicable arrangement, thus showing their friendly feelings.

The treaty provided for the exchange of diplomatic and consular representatives and the protection of American ships in Korean waters. It was similar to other 19th century treaties between Western and Asian countries in that it granted extraterritorial privileges to U.S. citizens in Korea, but, unlike other such treaties, it specified that this should be temporary. Americans could reside in the open ports



but not in the interior; Koreans could reside anywhere in the United States. Limits were fixed on the duties which Korea could levy on U.S. imports.

Trade in opium was prohibited, and restrictions were placed on the export of grain from Korea and on the import of weapons and munitions into Korea. Because it was Korea's first treaty with the West, provision was made for its revision after 5 years. Finally, the treaty provided that any right or privilege which Korea might subsequently grant to any other nation would accrue to the United States.⁴⁰

The treaty was signed at Chemulpo on May 22. Two days later, the Korean envoys sent Shufeldt a letter from King Kojong to President Arthur stating, "Chosen has been from ancient times a state tributary to China, yet hitherto full sovereignty has been exercised by the Kings of Chosen in all matters of internal administration and foreign relations." The letter pledged the King's "own sovereign powers" for the treaty's enforcement.⁴¹ Shufeldt sailed immediately for Shanghai, where he cabled the State Department, "Returned from Korea. Treaty made. Intercourse established [and] wanted."⁴²

News of the treaty had already reached Beijing, and the foreign community there was in a state of high excitement. The British and German legations had already requested and had been promised Chinese assistance in arranging similar treaties with Korea. "Merchants are looking forward with undisguised eagerness to new avenues of gain," Holcombe commented mordantly, "and diplomatists to new regions of political intrigue and influence."⁴³

President Arthur sent the treaty to the Senate for approval on July 29, annexing Shufeldt's report and a letter from Secretary Frelinghuysen discussing the treaty. Frelinghuysen felt it necessary to comment on the King's letter, enclosed with Shufeldt's report, but he concluded that it did not affect the validity of the treaty. China had not in the past admitted responsibility for Korea, he pointed out. By the act of con-

cluding a treaty with Korea, the United States recognized that its agreements with China did not include Korea. The treaty did not create Korean independence, any more than did the treaties then under negotiations between Korea and other Western powers; it merely took cognizance of it. Similarly, in his instructions to the newly appointed Minister to Korea a few months later, Frelinghuysen declared, "As far as we are concerned, Korea is an independent sovereign power, with all the attendant rights, privileges, duties, and responsibilities; in her relations to China we have no desire to interfere, unless action should be taken prejudicial to the rights of the United States."⁴⁴

Establishment of Diplomatic Relations

The Senate approved the treaty on January 9, 1883, and President Arthur ratified it on February 13. Three months later, the first U.S. Minister to Korea, Lucius H. Foote, arrived at Chemulpo. On May 17, he was escorted to Seoul; for several miles outside the city, he reported, "the wayside was literally lined with people." On May 19, Foote and the Korean Foreign Minister exchanged treaty ratifications, and the following day, Foote presented his credentials to King Kojong. He was the first diplomatic representative from a Western country in Korea.⁴⁵



The first U.S. Minister to Korea, Lucius H. Foote (on steps on left), and Mrs. Foote in front of the U.S. Legation. Foote purchased the building and later sold it to the U.S. Government. It is used today as a guesthouse on the grounds of the American Ambassador's residence.

(Smithsonian Institution, National Anthropological Archives Collection)



Lucius H. Foote



Lucius H. Foote (1826-1913) was the first U.S. Minister to Korea. As a young man, he migrated from New York to California, where he became a lawyer and entered politics. He held various positions in Sacramento and was Adjutant-General of California from 1872 to 1876; thereafter he was known as "General" Foote. He entered the consular service in 1879 and served as Consul in Valparaiso, Chile, for 3 years.

Foote was appointed Minister to Korea on February 27, 1883. He and Mrs. Foote arrived in Chemulpo on May 13, and a week later, he presented his credentials to King Kojong. He was the first diplomatic representative of a Western power in Korea.

Foote and his wife promptly took up residence in Seoul in a house which the minister purchased himself, since the State Department had provided no funds for that purpose. The legation was staffed with a secretary, another young man sent by the Smithsonian Institution to study Korean culture, and a Korean interpreter, who studied English under Foote's instruction. Foote established a friendly relationship with King Kojong. He reported in October that he had presented his wife to the King and Queen Min, an unprecedented event in Korea, where aristocratic ladies were kept in seclusion.

Foote left Korea in 1885, after Congress reduced the rank of the post to Minister Resident and Consul General, refusing to accept reappointment on those terms, which he considered a slap at the Koreans. Mrs. Foote died soon after their return to California, and Foote did not return to public life. For the last two decades of his life, he was secretary of the board of trustees and treasurer of the California Academy of Science. ■

(The Bancroft Library, University of California at Berkeley)



It remained for Korea to send an embassy to the United States. A special mission, led by two young officials, the Queen's nephew, Min Yong-ik, and the Prime Minister's son, Hong Yong-sik, visited the United States in September and October 1883. After a warm reception in San Francisco, the Korean envoys traveled across the country by rail, visiting Chicago, Washington, New York, and Boston, and toured a variety of institutions, including hospitals, newspapers, West Point, a model farm, and the Lowell textile mills. They were received by President Arthur in New York and at the White House. Min and other members of the mission returned to Korea via the Suez Canal on the U.S.S. *Trenton*.⁴⁶

In 1888 a Korean legation was finally established in the United States. The Korean Government sent Pak Chong-yang to Washington as minister plenipotentiary, despite efforts by Li Hongzhang to prevent his departure or to downgrade his mission. On January 17, 1888, Pak presented his credentials to President Grover Cleveland. Noting that the United States was the first representative government to enter treaty relations with Korea, Cleveland expressed gratification that full diplomatic relations had been established. "Our efforts will not be wanting, Mr. Minister," he declared, "to strengthen the ties of friendship and to develop relations beneficial to both countries."⁴⁷ Thus the first chapter of Korean-American relations was concluded.

⁴⁶Record of the treaty signing ceremony, enclosure 14 to despatch 8 from Shufeldt to Frelinghuysen, Nagasaki, June 8, 1882, Despatches from the U.S. Legation, China, Volume 60, National Archives, Record Group 59 (Records of the Department of State; hereafter such documents will be cited as, for example, Despatches, China); log of the U.S.S. *Swatara*, May 22, 1882, National Archives, Record Group 24 (Records of the Bureau of Naval Personnel). Published accounts of the negotiation of the treaty include Charles Oscar Paullin, *Diplomatic Negotiations of American Naval Officers, 1778-1883* (Baltimore: Johns Hopkins Press, 1912), pp. 282-328; Tyler Dennett, *Americans in Eastern Asia: A Critical Study of the Policy of the United States with Reference to China*,

First Korean Mission to the United States



Min Yong-ik

(Smithsonian Institution, National Anthropological Archives Collection)



Hong Yong-sik

Japan and Korea in the 19th Century (New York: Macmillan, 1922), pp. 450-465; and David M. Pletcher, *The Awkward Years: American Foreign Relations Under Garfield and Arthur* (Columbia, Missouri: University of Missouri Press, 1962), pp. 205-210. In recent years, several accounts of the opening of Korea drawing on Korean and/or Chinese source materials have been published in English, notably Martina Deuchler, *Confucian Gentlemen and Barbarian Envoys: The Opening of Korea, 1875-1885* (Seattle: University of Washington Press, 1977).

⁴⁷William Elliot Griffiths, *Corea: The Hermit Nation* (New York: Charles Scribner's Sons, 1882).

⁴⁸Works discussing the ambiguous Sino-Korean relationship include M. Frederick Nelson, *Korea and the Old Orders in Eastern Asia* (Baton Rouge, Louisiana: Louisiana State University Press, 1945), pp. 86-106, and Hae-jong Chun, "Sino-Korean Tributary Relations in the Ch'ing Period" in *The Chinese World Order: Traditional China's Foreign Relations*, edited by John King Fairbank (Cambridge, Massachusetts: Harvard University Press, 1968), pp. 90-111.

⁴⁹The era of the Taewongun's domination is discussed in James B. Palais, *Politics and Policy in Traditional Korea* (Cambridge, Massachusetts: Harvard University Press, 1975) and Ching Young Choe, *The Rule of the Taewon'gun, 1864-1873: Restoration in Yi Korea* (Cambridge, Massachusetts: East Asian Research Center, Harvard University, 1972).

⁵⁰Lee Houchins, Research Associate in Naval History, Smithsonian Institution, provided information drawn from Korean records concerning the *South America's* visit to Pusan. For the *Two Brothers* episode, see Earl Swisher, "The Adventure of Four Americans in Korea and Peking in 1855," *Pacific Historical Review*, XXI (1952), 237-241; for the *Surprise*, see despatch 44 from Williams to Seward, Peking, October 24, 1866, *Foreign Relations of the United States*, (hereafter cited as *FRUS*), 1867 (Washington: Government Printing Office, 1868), Part I, pp. 414-416.

⁵¹Despatch 124 from Burlingame to Seward, Peking, December 15, 1866, and enclosures, *ibid.*, pp. 426-428; report of Commander John C. Febiger, May 19, 1868, and enclosures, Papers of Robert W. Shufeldt,



rary of Congress (hereafter cited as Shufeldt Papers).

⁷*Ibid.*

⁸Documentation relating to the Low expedition is printed in *Foreign Relations of the United States, 1871* (Washington: Government Printing Office, 1871), pp. 115-149.

⁹Deuchler, *Confucian Gentlemen and Barbarian Envoys*, p. 37.

¹⁰*Congressional Record*, April 17, 1878, 2600-2602. The texts of Shufeldt's 1867 letter to the King of Korea and the reply given to Febiger in 1868 are here printed.

¹¹Thompson to Shufeldt, October 29, 1878, Cruise of the Ticonderoga, Part I, National Archives, Record Group 45 (Naval Records Collection of the Office of Naval Records and Library), Entry 25 (Shufeldt's reports, correspondence, and journals of the cruise; hereafter cited as Cruise of the Ticonderoga).

¹²Everts to Thompson, November 9, 1878, *ibid.*

¹³Despatch 13 from Shufeldt to Thompson, Nagasaki, April 26, 1880, Cruise of the Ticonderoga, Part II; despatch 1112 from Bingham to Everts, Tokyo, May 6, 1880, Despatches, Japan, Volume 42; Shufeldt to Mary Shufeldt, April 28, 1880, Shufeldt Papers, Box 16.

¹⁴Despatch 15 from Shufeldt to Thompson, Nagasaki, May 29, 1880, Cruise of the Ticonderoga, Part II.

¹⁵*Ibid.*; despatch 1126 from Bingham to Everts, Tokyo, May 31, 1880, Despatches, Japan, Volume 42.

¹⁶Shufeldt to Mary Shufeldt, May 13, 1880, Shufeldt Papers, Box 16.

¹⁷Unnumbered despatch from Shufeldt to Thompson, Nagasaki, May 31, 1880, and Shufeldt to Bingham, August 17, 1880, Cruise of the Ticonderoga, Part II.

¹⁸Despatch 20 from Shufeldt to Thompson, Nagasaki, August 17, 1880, Cruise of the Ticonderoga, Part II; despatch 1171 from Bingham to Everts, Tokyo, September 14, 1880, Despatches, Japan, Volume 43.

¹⁹Li Hung Chang (Li Hongzhang) to Shufeldt, July 23, 1880, Shufeldt Papers, Box 4.

²⁰Despatch 21 from Shufeldt to Thompson, [Nagasaki,] August 30, 1880, Cruise of the Ticonderoga, Part II; Shufeldt to Mary Shufeldt, September 9, 1880, Shufeldt Papers, Box 16.

²¹Shufeldt to Mary Shufeldt, July 1, 1880, *ibid.*

²²Deuchler, *Confucian Gentlemen and Barbarian Envoys*, pp. 88-92 and 114; see also Frederick Foo Chien, *The Opening of Korea: A Study of Chinese Diplomacy, 1876-1885* (New Haven, Connecticut: The Shoe String Press, 1967), pp. 60-71, and Wong Joe Kang, "The Korean Struggle for International Identity in the Foreground of the Shufeldt Negotiation, 1866-1882", Ph.D. dissertation, George Washington University, 1980, pp. 167-181.

²³Deuchler, *Confucian Gentlemen and Barbarian Envoys*, p. 116; Charles L. Fisher (Vice Consul at Tientsin) to Shufeldt, March 3, 1881, Shufeldt Papers, Box 24.

²⁴Despatch 117 from Holcombe to Blaine, Peking, May 29, 1882, Despatches, China, Volume 60.

²⁵Blaine to Shufeldt, May 9, 1881, Instructions, China, Volume 3; unnumbered despatch from Shufeldt to Blaine, Tientsin, July 1, 1881, Despatches, China, Volume 57.

²⁶Deuchler, *Confucian Gentlemen and Barbarian Envoys*, pp. 104-107.

²⁷Holcombe to Shufeldt, November 30, 1881, Shufeldt Papers, Box 24; Shufeldt to A.A. Sargent, January 1, 1882, printed in *San Francisco Evening Bulletin*, March 20, 1882, *ibid.*, Box 30; despatch 1 from Shufeldt to Frelinghuysen, Tientsin, January 23, 1882, Despatches, China, Volume 58.

²⁸Telegram and despatch 30 from Holcombe to Secretary of State, Peking, December 19, 1881, Despatches, China, Volume 58.

²⁹Blaine to Shufeldt, November 14, 1881, Instructions, China, Volume 3.

³⁰Frelinghuysen to Shufeldt, January 6, 1882, Instructions, China, Volume 3.

³¹Despatch 4 from Shufeldt to Frelinghuysen, Tientsin, March 30, 1882, Despatches, China, Volume 59; Deuchler, *Confucian Gentlemen and Barbarian Envoys*, pp. 117-118; C.I. Eugene Kim and Han-kyo Kim, *Korea and the Politics of Imperialism, 1876-1910* (Berkeley and Los Angeles: University of California Press, 1967), pp. 20-21.

³²Draft 2, enclosed with despatch 5 from Shufeldt to Frelinghuysen, Tientsin, April 10, 1882, Despatches, China, Volume 59.

³³Despatch 30 from Holcombe to Secretary of State, Peking, December 19, 1881, Despatches, China, Volume 58.

³⁴See, for example, the Chinese note to Low, of March 28, 1871, *FRUS*, 1871, p. 112.

³⁵Shufeldt to Li, April 4, 1882, and memorandum of interview, April 6, 1882, enclosed with despatch 5 from Shufeldt to Frelinghuysen, Tientsin, April 10, 1882, Despatches, China, Volume 59.

³⁶Despatch 7 from Shufeldt to Frelinghuysen, Tientsin, April 28, 1882; telegrams from Shufeldt to Frelinghuysen, April 12 and 19, 1882, Tientsin, Despatches, China, Volume 59; Holcombe to Shufeldt, April 6, 1882, Shufeldt Papers, Box 24.

³⁷Young to Frelinghuysen, May 1, 1882, and enclosed memorandum of the same date, Despatches, China, Volume 59.

³⁸Telegram from Shufeldt to Frelinghuysen, Shanghai, May 7, 1882, Despatches, China, Volume 59.

³⁹Despatches from Shufeldt to Frelinghuysen, unnumbered, Shanghai, May 29, 1882; no. 8, Nagasaki, June 8, 1882; and unnumbered, Mare Island, California, August 23, 1882, Despatches, China, Volume 60; Deuchler, *Confucian Gentlemen and Barbarian Envoys*, p. 121.

⁴⁰For the text of the treaty, see Charles I. Bevans, compiler, *Treaties and Other In-*

ternational Agreements of the United States of America, Volume 9 (Washington: Government Printing Office, 1972), pp. 470-476.

⁴¹The letter and a translation were enclosed with Shufeldt's unnumbered despatch of May 29, 1882; a second translation was enclosed with despatch 133 from Holcombe to Frelinghuysen, Peking, June 26, 1882, Despatches, China, Volume 60. The texts of both translations are printed in *FRUS*, 1888, Part I (Washington: Government Printing Office, 1889), pp. 255-256.

⁴²Telegram from Shufeldt to Frelinghuysen, Shanghai, May 27, 1882, Despatches, China, Volume 60.

⁴³Despatch 117 from Holcombe to Frelinghuysen, Peking, May 29, 1882, Despatches, China, Volume 60.

⁴⁴Frelinghuysen to Arthur, July 29, 1882, enclosed with Arthur's letter of the same date to the Senate, Report Book No. 14, National Archives, Record Group 59; instruction 3 to Foote from Frelinghuysen, March 17, 1883, Instructions, Korea.

⁴⁵Despatches 6 and 7 from Foote to Frelinghuysen, Seoul, May 24 and 25, 1883, *FRUS*, 1883 (Washington: Government Printing Office, 1884), pp. 241-243.

⁴⁶Instruction 27 to Foote from Frelinghuysen, October 16, 1883, *Korean-American Relations: Documents Pertaining to the Far Eastern Diplomacy of the United States*, Volume 1, *The Initial Period, 1883-1886* (Berkeley and Los Angeles: University of California Press, 1951), pp. 32-34; message from the King to Arthur, the Korean representatives' statement to Arthur, and his reply, *FRUS*, 1883, pp. 248-250.

⁴⁷Cleveland's statement to Pak, *FRUS*, 1888, Part I, p. 444, and documentation related to Pak's appointment, pp. 433-444 ff. ■

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FEATURE
The
Marshall
Plan

The Marshall Plan: Origins and Implementation

by William F. Sanford, Jr.

The Speech

Thirty-five years ago, Secretary of State George C. Marshall delivered a brief address that was to have a profound impact on subsequent world events. His message, presented before a group of 2,000 graduates and alumni at Harvard University's commencement ceremonies on June 5, 1947, was simple and direct, the style low key. "I need not tell you gentlemen," he began, "that the world situation is very serious."

Marshall presented a picture of a European economy in a state of disintegration. The costs of World War II, in terms of physical destruction, the liquidation of assets, and general economic dislocation, threatened to cause a complete breakdown of normal social and commercial life. Raw materials and fuel were in short supply; finished goods needed for production and exports were virtually nonexistent. Food shortages confronted large segments of urban populations with undernourishment and even starvation. Productivity was

Secretary of State George C. Marshall walks in the commencement procession prior to delivering his address before the graduating class of Harvard in Cambridge on June 5, 1947.

(George C. Marshall Research Library, Lexington, Virginia)

dwindling rapidly. Governments were quickly exhausting their last reserves in order to import the necessities of life for their populations.

"It is logical," Marshall continued, "that the United States should do whatever it is able to do to assist in the return of normal economic health to the world, without which there can be no political stability and no assured peace. Our policy is directed not against any country or doctrine but against hunger, poverty, desperation, and chaos." He stressed that the initiative for recovery had to come from the European nations themselves, which would be expected to join in a cooperative effort to put the entire continent back on its feet.¹

The reaction to the speech across the Atlantic Ocean was electric. British Foreign Secretary Ernest Bevin immediately conferred with French Foreign Minister Georges Bidault, who invited Bevin to discuss the proposal in Paris on July 3. The two foreign ministers issued a joint communique inviting 22 European nations to send representatives to Paris to draw up a cooperative recovery plan. The 16 nations which accepted, including all those invited except the Soviet Union and members of the Communist bloc, convened in Paris on July 12 to begin developing a comprehensive economic program in response to Marshall's address.

The Soldier Statesman

The son of a coal merchant and a grand-nephew of Chief Justice John Marshall, George Catlett Marshall, Jr., knew at an early age that he wanted to become a soldier. Born in December 1880 in Germantown, Pennsylvania, he spent his boyhood near areas associated with George Washington's early military career. His later exposure to the traditions of Robert E. Lee and Stonewall Jackson, as well as the outbreak of the Spanish American War, strengthened his inclinations.

He graduated from the Virginia Military Institute (VMI) in 1901 and was commissioned a second lieutenant in the U.S. Army. In the years before World War I, he served two tours of duty in the Philippines between several home assignments. As chief of operations of the First Army during World War I, he gained widespread recognition in the army for his role in preparing the Meuse-Argonne offensive. Between the wars perhaps his most influential assignment was his tour as Assistant Commandant of the Infantry School at Fort Benning, Georgia, where he instituted changes in the instruction which influenced many World War II commanders.

By the time Hitler had launched the Second World War by his invasion of Poland in September 1939, Marshall had risen to the position of Army Chief of Staff, a post which he held throughout the war. He exerted enormous influence over policy during the war years, successfully insisting upon a cross channel assault in 1944 instead of Churchill's plan for a Balkan campaign. Marshall recommended his protege, Dwight D. Eisenhower, to lead the invasion of Europe, after Roosevelt had decided that Marshall was too indispensable in Washington to take command himself. Hailed after the war as "the architect of victory" and the "first global strategist," General Marshall assumed key civilian posts in the Truman Administration. The President first selected him to arbitrate the bitter civil war in China in 1946 before choosing him to be his Secretary of State in 1947. Obligated to



(Department of State)

resign in early 1949 because of impending surgery, Marshall had recovered sufficiently by 1950 to serve a year as Secretary of Defense. In 1953 he was awarded the Nobel Peace Prize, the first professional soldier in history to receive it.

Marshall died in Washington, D.C. on October 16, 1959.

This summary was derived from the work of Forrest C. Pogue, who currently is nearing completion of the fifth and final volume of his biography, *George C. Marshall*. ■



FEATURE The Marshall Plan

The Crisis

The Marshall Plan brought a sense of profound relief to European leaders. Bevin later characterized it as "a lifeline to sinking men. It seemed to bring hope where there was none. The generosity of it was beyond belief . . . I think you can understand why we grabbed the lifeline with both hands."²

Few knowledgeable observers would have accused Bevin of overstating his case. The European economic situation was grim, and by 1947 the extent of the damage became alarmingly apparent, first to European and ultimately to U.S. leaders. At the heart of the problem was a growing shortage of coal and food grains. The Western Zones of Germany, which had supplied most European coal requirements before the war, were producing at less than a third of their prewar rate by the last quarter of 1946. Reduced coal supplies, from which Europe derived 80% of its energy requirements, sharply curtailed steel production, which in turn adversely affected the output of machinery and other goods desperately needed for reconstruction.

Food was also becoming alarmingly scarce. Shortages in fertilizer and agricultural machinery, combined with one of the harshest winters on record in 1946-47, severely limited spring harvests throughout Europe. The net effect was to significantly reduce per capita caloric intake in major European population centers and to bring large numbers of people in southern and eastern Europe to bare subsistence levels.

The decline in production put pressure on Europe's financial position. The bidding for limited supplies aggravated domestic inflation, and governments, which had already liquidated most of their reserves and foreign assets to pay for the war, had difficulty financing the imports they needed to relieve



Homes in the Netherlands, bombed and gutted during World War II, were rebuilt with the help of Marshall aid.

(International Communication Agency)

domestic shortages. Because of production bottlenecks, the very commodities which they had depended on before the war to earn foreign exchange were often the ones in short supply. Balance-of-payments deficits began to mount rapidly, and by 1947 grants and loans extended by various U.S. agencies and international institutions to help meet Europe's trade shortfall had begun to dry up.

The Concern

Marshall's address of June 5, 1947, was the culmination of months of increasing U.S. concern over the European situation. More than any other development in 1947, the Greek civil war focused U.S. attention on the European economic crisis and the potentially dangerous political and economic consequences of allowing the situation to continue to worsen. In Greece a Communist guerrilla movement threatened to topple the conservative government which had been elected after the war. The growing strength of the Communist Parties in Italy and France was already beginning to alarm State Department officials who saw in the Greek Communist insurrection a harbinger of what could happen elsewhere. Most policymakers feared that the establishment of Communist governments in Western Europe would soon be followed by the extension of Soviet control.

The Greek crisis required an immediate U.S. response. On February 24, 1947, the British Government, which since the end of the war had maintained a military presence in Greece, informed the United States that it lacked the financial resources to continue aid to the Greek Government. In a flurry of activity, President Truman, in consultation with the Department of State and Members of Congress, decided to reverse a longstanding U.S. tradition of peacetime noninvolvement in foreign

Food was a critical item provided under the Marshall Plan. This shipment was unloaded in Reykjavic, Iceland.

(International Communication Agency)





FEATURE The Marshall Plan

ilitary and political affairs. On March 2, 1947, the President announced a program of military aid to Greece and so to Turkey, which was facing severe internal pressure from the Soviet Union.

The real shock to Americans arising from the Greek crisis was the realization that Britain's economic woes were seriously eroding its position as a world power. Consequently, at the same time that they were addressing the Greek crisis, U.S. officials were forced to confront the extent of economic dislocation in the United Kingdom and the rest of Europe. Once the decision had been made to send \$400 million in aid to Greece and Turkey, it became psychologically easier for the Administration to intervene in behalf of general European recovery. For the remainder of the spring, officials at the State Department became more preoccupied with the deepening economic emergency abroad.

For Secretary of State Marshall the failure of the Western allies and the Soviet Union to agree to German and Austrian peace treaties in Moscow was an important turning point. He returned home on April 28 from the Council of Foreign Ministers' meeting in Moscow convinced that the Soviet Union was doing everything possible to achieve an economic breakdown in Europe. In a radio address that evening he foreshadowed the decision he was to announce at Harvard. "The recovery of Europe has been far slower than had been expected," he advised his listeners. "Disintegrating forces are becoming evident. The patient is sinking while the doctors deliberate. . . . Whatever action is possible to meet these pressing problems must be taken without delay."³

With President Truman's full support, Marshall began to prepare the basis for U.S. intervention. He re-

quested George Kennan, a career Foreign Service officer with long experience in Soviet affairs, to establish a policy planning unit whose first task would be to recommend a solution to the European economic crisis. Marshall wanted a report in 2 weeks. "Avoid trivia," he admonished Kennan at the end of their meeting. Working feverishly, Kennan and his staff produced a memorandum on May 23 which recommended establishing an immediate program to ease production bottlenecks in Europe, with particular emphasis on relieving the coal shortage. In addressing the long-term task of reconstruction, Kennan urged that European nations be encouraged to devise a plan to put themselves on a self-supporting basis with the promise of U.S. financial support.

Quite independently, other senior State Department officials were also becoming convinced that the European economic crisis required immediate attention. In early March Under Secretary of State Dean Acheson had requested the State-War-Navy Coordinating Committee (SWNCC), which had helped to formulate policy on the Greek-Turkish question, to study the larger issue of Europe as a whole. Noting the committee's subsequent warning of a political upheaval in Europe unless pressing shortages were met, Acheson, with the President's approval, devoted the entire text of his May 8 address before the Delta Council in Mississippi to the European situation. He discussed the devastation in Europe and the collapse of normal international trade. "Until the various countries of the world get on their feet and become self-supporting," he declared, "there can be no political or economic stability in the world and no lasting peace or prosperity for any of us." He concluded that the United States would have to finance what was needed by foreign countries to sustain life and rebuild their economies.⁴

Under the Economic Recovery Program, new and modern buildings replaced old ones. This construction worker in Naples, Italy, was one of the thousands of Europeans given jobs rebuilding their countries.

(International Communication Agency)



William L. Clayton, Under Secretary of State for Economic Affairs, regarded both at home and abroad as America's foremost economic statesman, was rapidly reaching the same conclusion. Serving abroad as the U.S. representative at a U.N. trade conference since early April 1947, Clayton was regularly exposed to the details of Europe's economic conditions. "Europe is steadily deteriorating," he wrote in a memorandum to Marshall. "Millions of people in the cities are slowly starving." Europe's annual \$5 billion deficit financed "an absolute minimum standard of living. If it should be lowered, there will be revolu-

tion." He estimated that Europe would need a yearly grant of \$6 or \$7 billion for 3 years based on a plan worked out by the leading European nations. "It will be necessary for the President and the Secretary of State to make a strong spiritual appeal to the American people to sacrifice a little themselves, to draw in their own belts a little to save Europe from starvation and chaos."⁶

The Clayton memorandum, which was forwarded through Acheson to Secretary Marshall on May 27, gave the aid question a sense of urgency. Marshall convened a meeting of his closest advisers to discuss the Clayton and

Kennan reports. There was virtual unanimity that dramatic steps had to be taken quickly. By the end of the meeting, Marshall had decided upon the general outlines of a European recovery program. He needed only a podium from which to make the announcement. Recalling that he had tentatively accepted Harvard's invitation to receive an honorary degree, he decided to use the occasion to present his initiative. The speech, drafted by Special Assistant Charles E. Bohlen, borrowed from both the Clayton and Kennan memoranda. Marshall, not completely satisfied, rewrote parts of the text on the plane in Cambridge on June 4. Until its delivery the substance of the address remained well-kept secret. Only Marshall's closest advisers knew what he would say the following day.

The Groundwork

Marshall's speech committing the United States to assist European recovery was a milestone in the growth of U.S. peacetime world leadership. As had the announcement of the Truman Doctrine the previous March, the Marshall Plan marked a dramatic departure from the isolationism that the United States had embraced after World War I. U.S. policymakers, joined by a number of congressional leaders and informed private citizens, appeared to accept the new challenges of world responsibility. They viewed active involvement in solving Europe's economic problems to be in the national interest, economically as well as politically, and the best hope of averting another world war.

Nevertheless, the immensity of the projected financial commitment to Europe, estimated at \$17 billion over a 4-year period, made widespread congressional

These workers in Berlin built houses for the city's homeless—estimated in the thousands.

(International Communication Agency)





FEATURE The Marshall Plan

onal and public acceptance impossible guarantee. In order to secure congressional passage of the assistance program, the White House and other proponents of the Marshall Plan, both in the government and the private sector, had to assure the nation that the United States could afford such unprecedented outlays and that they were necessary for European recovery.

To satisfy itself and Congress on the first count, the Administration launched three studies to determine whether the United States could, indeed, support an aid program of the magnitude anticipated. The Council of Economic Advisers examined the potential impact of the foreign aid program on the domestic economy. A second group, headed by Secretary of the Interior Julius A. Krug, sought to anticipate the program's effect on U.S. natural resources. Perhaps the best known analysis was conducted by the President's Committee on Foreign Aid, chaired by Commerce Secretary W. Averell Harriman, which examined the broader question of the limits within which the United States could wisely extend aid to Western Europe.

All three groups concluded that the United States could meet the assistance requirements, but not without a degree of sacrifice. They pointed out that the U.S. economy, which was going at full tilt in 1947, was experiencing shortages and high domestic demand for most of the products that Europeans most needed. Supplies of wheat, fertilizer, coal, steel, and farm machinery were especially tight in the United States. The fact that European nations required both raw materials and finished products complicated the supply problem since increased production of one category of goods frequently reduced the availability of others. For example, in order to produce more wheat to relieve Europe's food crisis, farmers could be expected to buy more tractors, which in turn would use more steel and coal, reducing the quantities of those needed commodities available for export to Europe. Indeed, of all the products most in demand by European producers and consumers, the Harriman committee found that only rubber and tobacco were being produced



This textile plant in Oporto, Portugal, was built with U.S. economic aid.

(International Communication Agency)

in the United States in readily exportable quantities. All the reports clearly warned that the pressure on limited supplies required for a European aid program would aggravate inflation and oblige U.S. producers and consumers to postpone purchasing some needed equipment and materials. Still, all three groups expressed the conviction that despite such sacrifices, the launching of a European recovery program was essential to Europe and in the U.S. national interest.⁶

The Support

Despite evidence of support for the Marshall Plan in Congress and among the general public, it was apparent by the fall of 1947 that many people had either never heard of it or remained unconvinced of its necessity. The Truman Administration consequently launched a massive public relations campaign to educate the American public, and it encouraged private citizens to participate in these efforts. Secretary Marshall, joined by other members of the Administration, made numerous public appearances before various civic and trade groups to promote the European aid program. Indeed, Marshall made so many speaking trips, especially to rural communities in the South and Midwest, that he later remarked that he felt as if he were running for office.⁷

Privately organized groups also proved effective in influencing public opinion. One of the most consequential was the Committee for the Marshall Plan, formed on November 17, 1947, by a group of distinguished citizens, many former government leaders. The committee, which received the enthusiastic support of the White House and State Department, initiated a wide range of activities to promote passage of the European recovery legislation in Congress. Soliciting the active participation of leaders in business, labor, and farm organizations, it organized regional committees throughout the nation and publicized its point of view through speaking engagements, radio broadcasts, and the wide circulation of relevant

The Soviet Vetos

The initial response of several East European nations to the Marshall Plan was positive. Both the Polish and Czechoslovak Governments expressed their intentions to send delegations to the organizational meeting to open in Paris on July 12, 1947.

On the occasion of presenting his credentials on July 9, the newly appointed U.S. Ambassador to Poland, Stanton Griffis, congratulated the Polish President on his government's decision. Later that day, Griffis was summoned to the Foreign Office and informed that the Polish Government had changed its mind and would not send delegates to the Paris meeting. Griffis reported that the Polish Foreign Minister was "extremely apologetic and at least apparently regretful" about the reversal, and his impression was that the foreign minister and perhaps the entire Polish Cabinet had been overruled by a "higher authority."

On that same day in Moscow, Stalin and Molotov informed a Czechoslovak delegation, which included Foreign Minister Jan Masaryk, that the Marshall Plan was intended to isolate the Soviet Union economically and that they

viewed Czech participation as a hostile act against the Soviet Union. After word of Soviet disapproval was cabled to Prague, a hastily assembled cabinet reversed its decision. Masaryk later remarked, "I went to Moscow as the foreign minister of an independent sovereign state; I returned as a lackey of the Soviet Government."

A Yugoslav official confided to an East European diplomat that the Yugoslav Government privately had agreed to take part in the European meeting on the Marshall Plan but had changed its mind under pressure from Moscow.

It was ironic that shock in the United States over the Communist coup in Czechoslovakia in February 1948 and the death of Masaryk—he either fell or was pushed from his Foreign Office residence—helped spur Congress to approve Marshall Plan funding.

This summary, prepared by Ronald D. Larmon, of the Office of the Historian, was based on Robert H. B. Lockhart, *Jan Masaryk, A Personal Memoir* (1951); Josef Khorbel, *Tito's Communism* (1951); and *Foreign Relations of the United States, 1947, Vol. II*. ■

publications and articles. It exerted pressure on Congress by initiating petitions on both the national and local level for passage of the European Recovery Program.

The urgency of the situation required even the President to become actively involved in the education effort. Truman personally launched a food conservation campaign in the early fall of 1947 in response to an interim report from the Harriman committee that the United States had to increase its grain exports dramatically in order to avert starvation in parts of Europe. On October 5, 1947, he broadcast a personal plea to all Americans to reduce their consumption of grain so that supplies could be shipped overseas without causing inflationary shortages at home.

Describing the growing desperation abroad, he urged every citizen to institute meatless Tuesdays and to cut down consumption of poultry and eggs, all of which would alleviate the domestic demand for grain.⁸

Administration and private efforts ultimately proved successful. The President's radio address did much to draw national attention to European conditions, and it elicited an overwhelming testimony of compliance. Letters flowed into the White House from citizens across the country. Children promised clean their plates; bakeries reported measures to reduce waste; distilleries announced the voluntary suspension of the production of grain alcohols for 60 days. Other groups including farmers, restaurants, hotels, airlines, and the merchant marine extended their sup-



FEATURE The Marshall Plan

rt. On a nationwide basis, a Gallup poll released on December 7, 1947, revealed that between July and December the proportion of the population which had not heard of the Marshall Plan had dropped from 51% to 36%, and during the month of November those in favor of a European aid program had risen from 47% to 56%.⁹

The Administration had an equally important mission in winning congressional approval of the aid program. The Republicans had won the off-year election in 1946, and the fact that much of the debate over the aid program was likely to occur in an election year gave the White House little comfort. Furthermore, many conservative Senate Republicans, led by Robert A. Taft of Ohio, as well as some Democrats, were expected to oppose any substantial financial commitment to Europe on both practical and philosophical grounds.

The Administration was determined to make the Marshall Plan a genuinely bipartisan issue by securing support from Republican leaders in Congress. The linchpin of this strategy was Republican Senator Arthur H. Vandenberg from Michigan. Vandenberg had several assets, not the least of which was his chairmanship of the Senate Foreign Relations Committee. He also was respected among those conservative Republicans expected to provide the most opposition to the recovery legislation. He had been a leader of the isolationists in the 1930s who had resisted any U.S. involvement in international affairs. But the Japanese attack on Pearl Harbor had profoundly shaken his principles of noninvolvement and had transformed him into a firm supporter of an international peacekeeping role for the United States.

Immediately after Marshall's speech on June 5, the Administration included Vandenberg in its councils. During the summer of 1947, Secretary Marshall

held twice weekly meetings with Vandenberg to brief him on European developments and to keep abreast of congressional attitudes. In succeeding months Vandenberg labored at a hectic pace to gain his colleagues' support, not only for the 4-year \$17 billion European Recovery Program but also for an emergency appropriation to allow Europe to hold out until the longer range program could be passed and implemented. "I feel that Vandenberg has never received full credit for his monumental efforts on behalf of European recovery," Marshall later remarked. "He was my right hand and at times I was his."¹⁰

Developments both within and outside Congress helped to ease Vandenberg's task. During the summer and fall of 1947, congressmen and senators traveled to Europe individually and in groups to evaluate European conditions first-hand. One of the most notable trips was conducted by the Select Committee on Foreign Aid, chaired by Congressman Christian A. Herter, which sailed for Europe at the end of August 1947. The Herter committee, representing a geographical and political cross-section of the House membership, divided itself into five subcommittees responsible for different areas of Europe. After making ex-



A new steel plant was constructed north of the Arctic Circle by the Norwegian Government.

(International Communication Agency)

haustive studies, committee members returned in mid-autumn with a deep personal interest in the conditions to which they had been exposed abroad. It was particularly significant that some of those who came back from Europe strongly committed to an aid program had been, like Vandenberg, strong pre-war isolationists. Republicans Frances Bolton, Karl Mundt, and Everett Dirksen, all of whom had fought to limit U.S. involvement in European affairs before the war, became committed Marshall Plan supporters. Lawrence W. Swift, a Republican from Wisconsin, undoubtedly spoke for more than just himself by his candid admission: "I became a convert on this trip, and I want to state that for the record."¹¹

The testimony of the Herter committee members played an important role in softening conservation opposition to European aid. The eyewitness accounts of the increasingly desperate conditions abroad were instrumental in securing congressional approval of a \$597 million interim aid bill for Europe in December 1947 and provided a sober and informed basis from which hearings and discussions on the Marshall Plan could proceed in the winter of 1948. To answer conservative concerns that so large a grant would severely damage the domestic economy, committee members warned that without a fully funded aid commitment, Europe would become increasingly vulnerable to the establishment of Communist and ultimately Soviet control.

Ultimately, events abroad proved to be more persuasive than even the most eloquent of the Marshall Plan supporters. In early 1948, the Soviet Union moved to strengthen its hold over Eastern Europe. On February 25, following a campaign of intimidation engineered by local Communist leaders, Czechoslovakia's democratic government was replaced by a Soviet-controlled dictatorship. At the same time, the Soviet Union put pressure on Finland to join a Soviet alliance. The danger of growing Communist strength in Western Europe was underlined by warnings from the

U.S. Embassy in Rome of the possibility of a Communist victory in the Italian elections scheduled for mid-April.

Growing national concern over these developments abroad helped to assure passage of the Economic Cooperation Act of 1948 which embodied the Marshall Plan, or the European Recovery Program as it was formally named. The Senate approved the bill on March 13 by a vote of 69 to 17, followed by a favorable House vote on March 31 of 329 to 74.

The Administrator

The Marshall Plan legislation provided for an Economic Cooperation Administration (ECA) to administer the aid program in Europe. Vandenberg was convinced that the European Recovery Program could be more efficiently operated by people with business and financial backgrounds rather than by government bureaucrats and had, therefore, insisted that aid operations be conducted outside the Department of State. The Administrator of ECA was expected to consult with the State Department regarding policies which affected broad foreign policy objectives. However, he was not subordinate to the State Department, but responsible only to the President.

Vandenberg also believed that in order to insure continued bipartisan support of the European Recovery Program, the new administrator should be a businessman and a Republican. He recommended Paul Hoffman, the President of Studebaker, who commanded widespread support among the business community and was well respected in Congress. He was a Republican, although not a strongly partisan one. Although President Truman had other candidates in mind, he accepted the suggestion and appointed Hoffman to the position. Hoffman proved to be an ideal choice. In the first instance he was a successful businessman and a first-rate manager. Named president of Studebaker in 1935, 2 years after it had

lapsed into receivership, he restored the ailing company to a position of solid profitability within 5 years. He also had been exposed to broad national economic problems. In 1942 he had helped found the Committee for Economic Development (CED), established to make recommendations on anticipated postwar economic problems. He also served with distinction on the Harriman committee and agreed wholeheartedly with the proposed European aid program.

Although initially reluctant to leave private industry to accept the position of Administrator, Hoffman attacked his new responsibilities energetically. Even before his organization was fully in place, he began moving emergency supplies to Europe. He fully shared the sense of urgency felt by Administration and congressional leaders and remained zealously committed to European recovery throughout his tenure. His greatest fear, one that never completely left him, was that an incomplete recovery would gravely endanger U.S. security by exposing West European nations to Soviet expansion. "I just can't tell you what a feeling of almost terror had when I came back here as to what would happen to us if we stopped this program," he once confessed to the Senate Foreign Relations Committee, "because they are not strong enough." Hoffman insisted that in order to be successful, European recovery had to be both genuine and permanent. Production had to be increased and export sectors revived if European nations were ever again to pay for the goods they needed. The bottom line was the raising of European living standards. "We ought to keep our eyes on just one thing and that is: Will that program build up production and produce a reasonable degree of prosperity in 4 or 5 years?" he stated shortly before he was asked to become Administrator. "The way to combat communism is with prosperity."¹³



FEATURE The Marshall Plan



(Department of State, 1967)

The Reluctant Nominee

Although Paul Hoffman proved to be an excellent choice to head the Economic Cooperation Administration, he did not want to accept the position. As President of Studebaker, he expected to be named Chairman of the Board in the near future. Furthermore, he much preferred life in California to the frantic pace of Washington. Hearing rumors in early March that he was being con-

sidered for the ECA post, he agreed to serve on a commission to study the economic situation in Japan and Korea, anticipating that he would be safely out of the country when the announcement was made. His timing proved faulty. Because the final passage of the legislation was delayed, he was in Honolulu on his way home when presidential aide John Steelman telephoned him about ac-

cepting the job. Hoffman refused to give Steelman a definite answer, promising only to travel to Washington within a week to discuss the matter further.

Once in Washington he stunned his sponsor, Senator Arthur Vandenberg, by confiding that he planned to turn down the job. "You don't dare refuse if the President offers this opportunity to you," Vandenberg exclaimed. Hoffman then went for a physical checkup confident that his current state of exhaustion and a bad cold would disqualify him for the position on medical grounds, only to learn that he was in excellent health. Finally, during his meeting with the President, Hoffman frankly told Truman that he did not want to leave Studebaker now that the company was becoming profitable. He added that in his experience, he never received a superior performance from an employee who did not want a job, and he did not want this one. Truman replied that staffing the Federal Government was different than hiring in the private sector in that the best men generally had to be drafted. "I am expecting you to say yes," Truman told him. Hoffman promised to think it over.

On the afternoon following his talk with the President, Hoffman held a press conference to discuss his Asian trip during which reporters appeared to be far more interested in rumors about his appointment as ECA Administrator than in his views on the Japanese and Korean countries. Suddenly the session was interrupted by a bulletin from the White House announcing that Hoffman had accepted the ECA post. Stunned, standing before the cameras, Hoffman realized that he could not deny the announcement without making a public repudiation. With whatever reservations he continued to harbor, the President of Studebaker Corporation suddenly discovered that he had a new job.

This account is derived from two interviews with Hoffman, one dated January 28, 1953, by Harry B. Price, the other dated October 25, 1964, by Philip C. Brooks. Summaries of both interviews are available at the Truman Library in Independence, Missouri. ■

The Special Interests

Like most businessmen, indeed many Americans, Hoffman believed that restoring Europe's economy would be in the United States best economic as well as political and strategic interests. A prosperous Europe would allow a mutually beneficial trading relationship to develop which would be to the advantage of both sides. But the ECA Administrator opposed using the European Recovery Program as a means of enhancing short-term U.S. business opportunities unless the products Americans wished to sell were the same ones Europeans needed and wanted. In the cases where they were, he was happy to approve the allocation of the program's funds to finance these products. Indeed, a large portion of Europe's food requirements could be met only by the United States. However, Hoffman encouraged European nations to purchase goods elsewhere if by so doing they could concentrate their limited dollar resources on those items which the United States could supply most cheaply and efficiently. He was convinced that this temporary setback to some U.S. exports would enable European countries to reach a point where they could afford U.S. products without the help of the U.S. taxpayer.

The President and a majority in Congress and business generally supported Hoffman. But as the recovery program unfolded, the Administrator became the target of a growing number of critics in Congress who accused him of selling out American economic interests. Indeed, some special interest groups had sufficient backing in Congress to secure legislative preference for their economic interests. For example, the shipping lobby was able to insert a provision in the Economic Cooperation Act that required 50% of all commodities procured under the Economic Recovery Program to be transported in U.S. ships. In deference to various agricultural groups, Section 112 of the act also obliged the Administrator to encourage European procurement of U.S. surplus agricultural products. Flour



Heavy equipment was vital for European industries after World War II. This fractional tank for a refinery was unloaded at Le Havre, France.

(International Communication Agency)

millers were able to secure a provision requiring 25% of all wheat shipments under the program to be in the form of flour.¹⁴

These were not the only economic groups seeking to benefit from the program. As the U.S. recession gathered force in 1949, what started as a trickle became a flood. Businessmen hurt by the downturn besieged ECA for orders

financed by the European Recovery Program. Hoffman at one point told a closed session of the Senate Foreign Relations Committee that the list of products being pushed for special consideration stood at 109 and was "being added to almost hourly."¹⁵

Hoffman insisted that private businesses had to compete for European orders much as they had before the in



FEATURE The Marshall Plan

implementation of the Marshall Plan. If a European customer needed to purchase American goods, he could apply to his government for dollar credits. If the foreign government approved the request and desired funds to be made available under its program's allocation, the government would forward the request to ECA. Hoffman or one of his subordinates would then make a decision based on the order's contribution to European recovery. This system also applied to agricultural products except that the initial requisition procedure was normally handled by government agencies.

Hoffman's procedures did not satisfy some congressmen who felt he should do more for American products. Some legislators criticized him for failing to boost U.S. tobacco sales abroad. Others criticized him for not forcing the British

to buy more American wheat. Still others complained that he was not doing enough to stimulate European demand for U.S. machine tools, canned fish, cotton yarn, printing equipment, fur, steel, or marine insurance, to name a few. Senator Alexander Wiley of Wisconsin undoubtedly expressed the sentiments of many of his colleagues during a closed session of the Senate Foreign Relations Committee in 1949: "I think as Administrator your one fault . . . is that you hold stubbornly to this one concept, that it is just Europe."¹⁶

Hoffman nevertheless stuck by his principles and resisted all attempts to shift the focus of U.S. aid from European recovery to American relief. In at least one case, the political forces arrayed against him were too powerful. His first major battle with Congress was

an attempt to circumvent the 50% shipping requirement. Concerned that high American shipping charges were contributing to inflation abroad, as well as reducing the funds available to Europe to buy needed products, Hoffman threatened to ignore the 50% provision unless U.S. shippers lowered their rates. The reaction of the shipping lobby and its congressional supporters was apoplectic. The shipping companies and union launched a communications blitz flooding ECA and the White House with letters, postcards, and telegrams of protest. Unions promised to set up picket lines around foreign ships carrying ECA

On November 29, 1948, President Truman, Secretary Marshall, Paul Hoffman, and W. Averell Harriman met to discuss the European recovery program.



cargo, and the U.S. Maritime Commission joined shipping senators and congressmen in pressuring the White House to overrule ECA.

For a long time Hoffman remained defiant. "I'm not going to take the taxpayers' money to subsidize the American shipping industry in a world situation where a lot of it will have to go out of business anyway," he declared at the height of uproar. "If they don't like that kind of administration, I can come to California and enjoy life."¹⁷ Ultimately, however, he was obliged to back down, doubtless with a sympathetic but firm nudge from Truman who at least on this issue probably concluded that the political risks were too high.

It was the first and last major battle against any interest group that Hoffman lost. His commitment to principle and his willingness to fight for it won him enormous respect in Congress and kept a majority on his side in the struggles that followed. During the recessionary months he successfully met major challenges from the lumber and aluminum industries which demanded major shares of Economic Recovery Program business. Hoffman reminded them that program funds were made available to European nations to finance goods they wanted at the specifications they required. U.S. assistance was not intended to bail out ailing American industries. "We hope the Southern Pine industry will obtain its share of export business financed by ECA," Hoffman wrote one disgruntled Senator, "but it will have to obtain that business on the American free enterprise basis."¹⁸ He made this principle equally clear to aluminum producers and their congressional supporters who sought to imitate the shipping lobby by requiring that 50% of all aluminum purchases be made in the United States. "Any other policy [than one] requiring the participating countries to purchase vitally needed commodities at the lowest possible price," Hoffman wrote an aluminum advocate in the Senate, "would defeat the purpose of ECA to promote European recovery at the lowest possible cost to the United States taxpayer."¹⁹

Despite the tenacity of the special pleaders, a majority in both Houses of Congress agreed with Hoffman in these and similar cases. An amendment to require that 50% of all aluminum purchases be made in the United States was defeated by voice vote in the Senate Foreign Relations Committee. Congress refused to give any additional products legislative preference, and in subsequent legislation it first reduced and then eliminated entirely the 25% flour provision which had been part of the Economic Cooperation Act of 1948.

Led by Vandenberg and members of the Herter committee who had spearheaded the effort to pass the recovery legislation, a solid core of legislators were willing to allow their various constituencies to undergo some short-term sacrifices to achieve European recovery goals. Vandenberg, who himself represented a corn-growing area, reacted with disgust at the growing number of producers and manufacturers seeking to benefit from the Economic

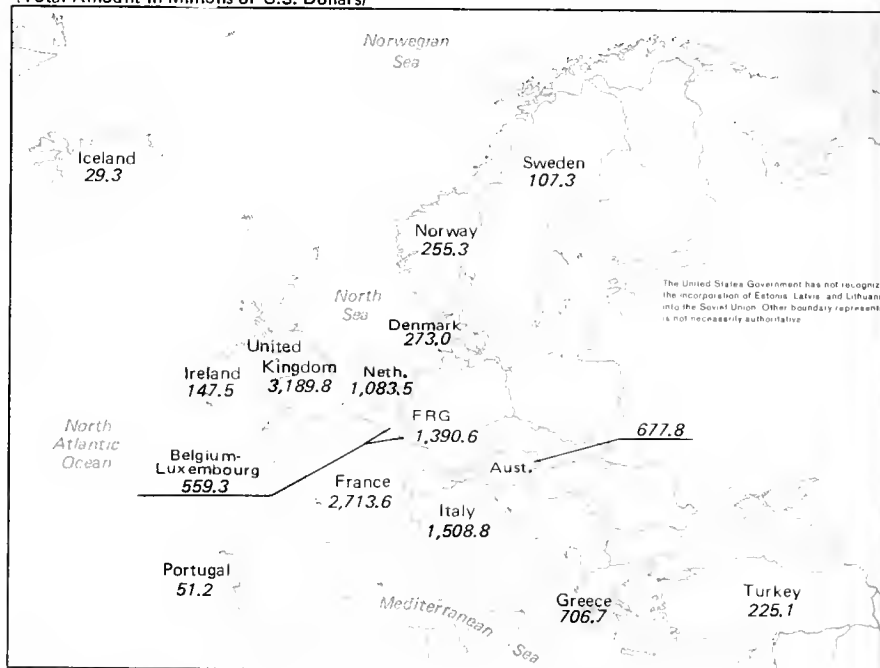
Recovery Program. Responding to the pleas of a colleague requesting that the ECA legislation mandate a specific percentage of corn flour exports, Vandenberg pointed out that there were also 63 other surplus commodities demanding special consideration. "If you are going to start down that road, I have no interest in ECA whatever, and I want to revert to a frank American surplus relief formula."²⁰

The Assistance

Over the 4-year period during which the Marshall plan was formally in operation Congress appropriated \$13.3 billion for European recovery. The aid, although modest in terms of Europe's total gross national product, supplied critically needed materials to get production started again. Thus, by acting as a primer, Marshall Plan assistance was able to release productive energy many times the value of the goods involved.

Besides the products and commodities which the United States supplied

**U.S. Economic Assistance Under the European Recovery Program:
April 3, 1948 - June 30, 1952**
(Total Amount in Millions of U.S. Dollars)



(Michelle Picard, INR, Department of State)



FEATURE The Marshall Plan

ied, one of the most valuable aspects of U.S. aid to Europe and one in which Hoffman took much personal pride, was the technical assistance program. This program was born in July 1948 from a meeting in Paris between Hoffman and Britain's Chancellor of the Exchequer, Sir Stafford Cripps. It began as a joint venture in which British manufacturing and agricultural teams would visit the United States to study American production methods. The program was subsequently broadened to include all nations participating in the European Recovery Program. In the 4 years of the Marshall Plan, more than 100 foreign technical teams visited U.S. factories and farms. Almost every type of manufacturing process was covered. Foreign industries interested in participating in the technical assistance program applied to ECA through their governments. If ECA approved, it then sought to set up a schedule of visits to U.S. firms willing to show their production technologies to visiting groups.

Hoffman believed that European industry could successfully increase its productivity only if it had the benefit of the most modern production methods. He was confident that American businesses could make a sizable contribution to European output by sharing its technology and managerial practices. The key element in the program was the extent to which U.S. businesses would cooperate. Many industries competed with European industries in both foreign and domestic markets. It was, therefore, not immediately clear to what extent they would share confidential data with potential European competitors who might later use trade secrets to gain market shares at their expense.

Whatever doubts the ECA harbored about the willingness of businesses to participate were quickly dispelled. Although a few firms refused to cooperate, the great majority did so beyond Hoffman's expectations. As team visits evolved, reports filed by foreign team leaders, as well as ECA project managers who had organized the visits,

The Goodwill

Besides the enormous productive value for European firms of the numerous technical visits made by foreign managers and labor officials to U.S. companies, they produced a deep sense of goodwill between host and visitor which strengthened the feeling of common purpose and cooperation which made the Marshall Plan a success. They also demonstrated the willingness of U.S. executives to contribute to European recovery at a time when many of them were experiencing competitive pressures and slumping demand for their products.

The textile industry seemed particularly hard pressed. During the 1949 recession thousands of smaller businesses were either closed or forced to operate on a part-time basis. In addition, growing textile imports, officially encouraged by ECA to allow European countries to reduce their burgeoning trade deficit, further reduced the market for U.S. products. It was in this domestic economic environment that the industry was asked by ECA to host technical teams covering a wide spectrum of textile products. Manufacturers of some lines refused to accept any visiting teams for fear of giving European producers a competitive advantage. ECA was obliged to cancel planned jute spinning and carpet manufacturing teams in early 1949 because of industry resistance. Nevertheless, 15 European teams did tour U.S. textile plants, and the receptions in all cases were warm and informative. The testimony of ECA observers, and especially visiting team members, is perhaps the most eloquent proof of the willingness of many executives to do what they could to assist European recovery during a period of adverse domestic economic conditions.

were overwhelmingly favorable. "We had all heard about American hospitality before we came here, but one has to experience it to appreciate what it means," stated one British team leader at the end of the 6-week tour of the U.S. automotive industry. "The detailed infor-

I mean this very sincerely. I think you have one of the finest countries and one of the finest and friendliest of people on the face of God's earth. (Edward Packer, U.K. Cotton Team No. 6)

We cannot pay too high a tribute to the way in which we have been received in America. Information of a confidential nature has been given to us without hesitation, and firms have put themselves to a great inconvenience in order to insure that our visit was a success. (C. C. Newman, Team Leader, U.K. Men's Clothing Team No. 8)

The treatment accorded this group was truly a highlight of the entire visit as were the accomplishments of the group who made this trip. The American industrialists were truly magnificent to this group—everything possible was done for them. (Wallace Jeffords, ECA Project Manager, Danish Hosiery Group)

We wish to thank very sincerely all the American manufacturers who opened their doors, and sometimes their accounting books so widely; they can be assured of our discretion. (Jean-Marie DuBost, Team Leader, French Silk Team)

We have been touched by the great friendliness of all Americans we met on business and social occasions, by their open minds and hospitality. Everywhere we met a warm reception. (J. A. Panhuyzen, Team Leader, Dutch Cotton and Rayon Team)

Documentation for this section was taken from team leader and project manager reports located in the ECA Technical Assistance Files, Federal Records Center Accession No. 53 A 609 and 53 A 648. ■

mation placed at our disposal by all these firms has been astonishing."²¹ Another team leader was equally impressed with his reception by the U.S. electrical industry: "Some of the firms have simply surpassed themselves in the readiness with which they have opened

up their whole organization to us. For the few days we were present, we were treated as if we belonged to the organization."²²

Even members of hard-pressed industries showed surprising degrees of cooperation. Various companies producing steel, wood products, rubber, machine tools, abrasives, shoes, glassware, and textiles tried to be helpful despite the fact that all these industries competed with European firms in various markets. For example, U.S. textile firms, although they competed directly with British imports, were remarkably forthcoming with their British counterparts. At the end of a tour which included a cross section of mills throughout the North and Southeast, the British team leader failed to recall one instance where he did not receive straight answers to his questions. "From the moment we landed in this country on the 24th of May until this very moment," he stated, "we have had nothing but the greatest possible kindly relations and cooperation and help from everybody we have met."²³

Similar testimony from other textile team members documented an unusually widespread commitment to the concept of technical assistance and European recovery goals among the U.S. textile industry, and it typified the gratitude which a great majority of visiting foreigners felt toward their hosts throughout U.S. industry.

The willingness of so many American businesses to cooperate with their foreign guests seemed based on many factors. The personal rapport which developed between visitors and hosts helped to break down many barriers. In this respect the readiness of many European team members to talk about their own processes and methods quickly established an atmosphere of mutual trust and encouraged U.S. businessmen to be more forthcoming. In addition, most executives who understood the goals of the European Recovery Program were flattered to be chosen to participate in the technical assistance program. Indeed, those firms selected for inclusion on itineraries for their technological efficiency or mana-

gerial expertise tended to be less vulnerable to foreign competition. Generally proud of their accomplishments and the democratic system which made them possible, they very much saw themselves and acted as goodwill ambassadors.

By the end of the European Recovery Program, American businesses had provided European industry with an immense amount of information. Although the extent to which Europeans implemented the suggestions is difficult to measure exactly, individual foreign companies reported that their introduction of the new methods into plant operations had been accompanied by dramatic increases in productivity. There were also important intangible benefits derived from the program. "I can think of nothing more conducive to international goodwill than an exchange of such visits between our people and those of other lands," Hoffman wrote to James Patton of the National Farmers Union. "The practical benefits are obvious, but the less obvious may in the long run be more rewarding."²⁴

The Foundation

Indeed, the degree to which the Marshall plan enhanced transatlantic understanding might alone have justified the effort. Other important byproducts such as the impetus toward European economic unity, emerged from the aid experience. But equally impressive was the degree to which U.S. assistance did what it was designed to do—fuel economic growth and raise general living standards. From 1938, the last year in which Europe was at peace, to 1947 the standard of living of the average European citizen, as measured by per capita gross national product, had fallen by more than 8%. Some nations recorded dramatic declines. The economic position of West Germany had deteriorated by 15.4%, Italy by 25.8% and Austria by 39.5%. By the end of 1951, 3½ years after the beginning of the European Recovery Program, the postwar economic trend had clearly be-

Per Capita GNP of Marshall Plan Countries (in 1981 dollars)²⁵

	1938	1947	1951	1981
Austria	\$2,004	\$1,213	\$2,473	\$8,692
Belgium	3,394	3,145	3,951	9,679
Denmark	4,028	4,016	4,602	10,802
France	2,953	2,682	3,628	10,597
Germany (F.R.G.)	2,184	1,847	3,507	11,022
Greece	1,178	731	954	4,108
Iceland	2,504	4,366	4,230	11,688
Ireland	1,879	1,876	2,144	4,733
Italy	2,078	1,540	1,955	6,112
Luxembourg	2,979	4,112	4,883	10,032
Netherlands	3,532	3,304	4,022	9,688
Norway	3,606	3,830	4,616	13,222
Portugal	498	485	634	2,310
Sweden	4,663	5,321	6,157	13,408
Turkey	499	450	578	1,191
United Kingdom	4,345	4,515	5,016	8,921
European Average	\$2,648	\$2,426	\$3,238	\$7,919
United States	\$4,226	\$6,332	\$7,240	\$12,727



FEATURE The Marshall Plan

reversed. Per capita GNP grew 33.5% from 1948 through 1951. Of equal significance, the economic progress which had been made by 1951 provided the foundation for unprecedented growth in subsequent decades. In the 30 years which followed, the per capita standard of living of participating countries rose 44.6%, or an average annual growth rate of 4.8%, compared to an average annual per capita growth rate in the United States of 2.5% during the same period. Some nations, particularly those which had suffered the most serious declines by 1947, later outperformed the average. The living standards of French, Italians, Germans, and Austrians have risen at yearly rates of 6.4%, 7.1%, 8.1%, and 8.4%, respectively. The European Recovery Program, of course, reserved only part of the credit for these dramatic gains. Europe's economic revival would not have been possible without the creativity, technical competence, and hard work of the European peoples involved. Nevertheless, by relieving shortages and boosting morale, the Marshall Plan contributed importantly to the end result.

The National Interest

Although the implementation of the Marshall plan involved some degree of short-term economic sacrifice for the United States, the restoration of European productivity significantly furthered the national interest. By creating jobs and enhancing individual incomes, it dampened the growing unrest which threatened European political institutions. Its success in strengthening the economies of participating countries and developing their overall economic and political cohesiveness served to stymie whatever plans the Soviet Union might have had for extending its political domain in Western Europe. Above all, the Marshall Plan created a sense of indebtedness and a reservoir of good feeling among Europeans towards the United States which in subsequent years contributed to the effectiveness of the Western military alliance system and to the U.S. position of leadership of the free world.

In economic terms, the United States was able to preserve and improve its trading relationship with European nations. By stimulating European productivity and accepting a greater volume of imports, the United States saw its exports increase several fold in the decades that followed. There can be no question that the Marshall Plan had long-term benefits for the United States as well as for Europe. Its conception, enactment, and implementation were the product of enlightened statesmanship on the part of all concerned—a foreign policy achievement in which the nation can take pride.

¹Department of State Bulletin, June 15, 1947, pp. 1159–1160.

²New York Times, April 2, 1949, p. 4.

³Department of State Bulletin, May 11, 1947, p. 924.

⁴Ibid., May 18, 1947, pp. 992–993.

⁵Foreign Relations of the United States, 1947, Vol. III, p. 232.

⁶U.S. Department of the Interior, *National Resources and Foreign Aid*, October 9, 1947; U.S. Council of Economic Advisors, *The Impact of Foreign Aid Upon the Domestic Economy*, October 1947; U.S. President's Committee on Foreign Aid, *European Recovery and American Aid*, November 7, 1947.

⁷Harry B. Price interview with Marshall, October 30, 1952, Truman Library, Independence, Mo.

⁸Department of State Bulletin, October 12, 1947, p. 738.

⁹Harry B. Price, *The Marshall Plan and Its Meaning* (1955), pp. 59–60.

¹⁰Price interview with Marshall, October 30, 1952.

¹¹U.S. Congress, *Emergency Foreign Aid*, Hearings before the House Foreign Affairs Committee, November 14, 1947, p. 228.

¹²U.S. Congress, *Executive Session of the Senate Foreign Relations Committee*, 1949–1950, Historical Series, Vol. II, February 7, 1950, p. 191.

¹³Minutes of the Research and Policy Committee, Committee for Economic Development, December 12, 1947, frame II–284, CED Microfilm Archives, Washington, D.C.

¹⁴The special interest provisions are contained in Sections 111(a)(2) and 112(a), (c), and (d) of the Economic Cooperation Act of 1948.

¹⁵U.S. Congress, *Extension of the European Recovery Program: 1949*, Hearings held in Executive Session before the Senate Foreign Relations Committee, Historical Series, March 7, 1949, p. 169 (hereafter cited as SFRC Hearings, 1949, Executive Session).

¹⁶Ibid., March 7, 1949, p. 245.

¹⁷New York Times, Dec. 20, 1948, p. 18.

¹⁸Letter from Hoffman to Senator Olin Johnston, May 20, 1949, ECA Administrator's Chronological File, Federal Records Center Accession No. (FRC) 53 A 441, Box 270, National Archives Record Group 286 (hereafter cited as Hoffman Chronological File).

¹⁹Letter from Hoffman to Senator Claude Pepper, July 20, 1949, Hoffman Chronological File, Box 270.

²⁰SFRC Hearings, 1949, Executive Session, March 4, 1949, p. 242.

²¹ECA Verbatim Record of Final Meeting with U.K. Drop Forgers Production Team No. 3, July 25, 1949, ECA Technical Assistance Files, FRC 53 A 648, Box 93.

²²ECA, "Final Meeting with Members of U.K. Electricity Suppliers Team," December 9, 1949, p. 8, ECA Technical Assistance Files, FRC 53 A 609, Box 5.

²³ECA, Verbatim Record of the Final Meeting of the U.S. Rayon Weavers Productivity Team No. 2, July 5, 1949, ECA Technical Assistance Files, FRC 53 A 609, Box 2.

²⁴Letter from Hoffman to Patton, October 29, 1949, Hoffman Chronological File, Box 270.

²⁵Figures for 1981 were taken from the Bureau of Intelligence and Research (INR), "Economic Growth of OECD Countries, 1971–1981," Report 352-AR, April 2, 1982, prepared by Lucie Kornei. Figures for 1938, 1947, and 1951 were derived from GNP figures in the INR report cited above, in Agency for International Development (AID), "Gross National Product, Growth Rates and Trend Data by Region and Country," May 1, 1974, and in Organization for European Economic Cooperation (OEEC), *Statistics of National Product and Expenditure, 1938, 1947 to 1952, 1954*, and from the population figures in United Nations, *Monthly Bulletin of Statistics*, September 1954. ■

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Arms Control and the Future of East-West Relations

President Reagan's commencement address at Eureka College, Peoria, Illinois, on May 9, 1982.¹

Graduation day is called "commencement" and properly so because it is both a recognition of completion and a beginning. And I would like, seriously, to talk to you about this new phase—the society in which you're now going to take your place as full-time participants. You're no longer observers. You will be called upon to make decisions and express your views on global events because those events will affect your lives.

I've spoken of similarities, and the 1980s like the 1930s may be one of those—a crucial juncture in history that will determine the direction of the future. In about a month I will meet in Europe with the leaders of nations who are our closest friends and allies. At Versailles, leaders of the industrial powers of the world will seek better ways to meet today's economic challenges. In Bonn, I will join my colleagues from the Atlantic alliance nations to renew those ties which have been the foundation of Western, free-world defense for 37 years. There will also be meetings in Rome and London.

Now, these meetings are significant for a simple but very important reason. Our own nation's fate is directly linked to that of our sister democracies in Western Europe. The values for which America and all democratic nations stand represent the culmination of Western culture. Andrei Sakharov, the distinguished Nobel laureate and courageous Soviet human rights advocate, has written in a message smuggled to freedom: "I believe in Western man. I have faith in his mind which is practical and efficient and, at the same time, aspires to great goals. I have faith in his good intentions and in his decisiveness."

This glorious tradition requires a partnership to preserve and protect it. Only as partners can we hope to achieve the goal of a peaceful community of nations. Only as partners can we defend the values of democracy and human dignity that we hold so dear.

There is a single, major issue in our partnership which will underlie the discussions that I will have with the European leaders—the future of Western relations with the Soviet Union. How should we deal with the Soviet Union in the years ahead? What framework should guide our conduct and our policies toward it? And what can we realistically expect from a world power of such deep fears, hostilities, and external ambitions?

I believe the unity of the West is the foundation for any successful relationship with the East. Without Western unity we'll squander our energies in bickering while the Soviets continue as they please. With unity, we have the strength to moderate Soviet behavior. We've done so in the past, and we can do so again.

Our challenge is to establish a framework in which sound East-West relations will endure. I'm optimistic that we can build a more constructive relationship with the Soviet Union. To do so, however, we must understand the nature of the Soviet system and the lessons of the past.

The Soviet Union is a huge empire ruled by an elite that holds all power

Peace is not the absence of conflict but the ability to cope with conflict by peaceful means.

and all privilege. They hold it tightly because, as we've seen in Poland, they fear what might happen if even the smallest amount of control slips from their grasp. They fear the infectiousness of even a little freedom, and because of this, in many ways, their system has failed. The Soviet empire is faltering because it is rigid—centralized control has destroyed incentives for innovation, efficiency, and individual achievement. Spiritually, there is a sense of malaise and resentment.

But in the midst of social and economic problems, the Soviet dictatorship has forged the largest armed force in the world. It has done so by preempting the human needs of its people, and, in the end, this course will undermine the foundations of the Soviet system. Harr Truman was right when he said of the Soviets that, "When you try to conquer other people or extend yourself over vast areas, you cannot win in the long run."

Yet Soviet aggressiveness has grown as Soviet military power has increased. To compensate, we must learn from the lessons of the past. When the West has stood unified and firm, the Soviet Union has taken heed. For 35 years Western Europe has lived free despite the shadow of Soviet military might. Through unity, you'll remember from your modern history courses, the West secured the withdrawal of occupation forces from Austria and the recognition of its rights in Berlin.

Other Western policies have not been successful. East-West trade was expanded in the hope of providing incentives for Soviet restraint, but the Soviets exploited the benefits of trade without moderating their behavior. Despite a decade of ambitious arms control efforts, the Soviet buildup continued. And despite its signature of the Helsinki agreements on human rights, the Soviet Union has not relaxed its hold on its own people or those of Eastern Europe.

During the 1970s some of us forgo the warning of President Kennedy, who said that the Soviets "have offered to trade us an apple for an orchard. We don't do that in this country." But we came perilously close to doing just that.

If East-West relations in the detente era in Europe have yielded disappointment, detente outside Europe has yielded a severe disillusionment for those who expected a moderation of Soviet behavior. The Soviet Union continues to support Vietnam in its occupation of Kampuchea and its massive military presence in Laos. It is engaged in a war of aggression against Afghanistan. Soviet proxy forces have brought instability and conflict to Africa and Central America.

We are now approaching an extremely important phase in East-West relations as the current Soviet leadership is succeeded by a new generation. Both the current and the new Soviet leadership should realize aggressive policies will meet a firm Western response. On the other hand, a Soviet leadership devoted to improving its people's lives, rather than expanding its armed conquests, will find a sympathetic partner in the West. The West will respond with expanded trade and other forms of cooperation. But all of this depends on Soviet actions. Standing in the Athenian marketplace 2,000 years ago, Demosthenes said: "What sane man would let another man's words rather than his deeds proclaim who is at peace and who is at war with him?"

Peace is not the absence of conflict but the ability to cope with conflict by peaceful means. I believe we can cope. I believe that the West can fashion a realistic, durable policy that will protect our interests and keep the peace, not just for this generation but for your children and your grandchildren.

I believe such a policy consists of five points: military balance, economic security, regional stability, arms reductions, and dialogue. Now, these are the means by which we can seek peace with the Soviet Union in the years ahead. Today, I want to set this five-point program to guide the future of our East-West relations, set it out for all to hear and see.

Military Balance

First, a sound East-West military balance is absolutely essential. Last week NATO published a comprehensive comparison of its forces with those of the Warsaw Pact. Its message is clear: During the past decade, the Soviet Union has built up its forces across the board. During that same period, the defense expenditures of the United States declined in real terms. The United States has already undertaken steps to recover from that decade of neglect. And I should add that the expenditures of our European allies have increased slowly but steadily, something we often fail to recognize here at home.

Economic Security

The second point on which we must reach consensus with our allies deals with economic security. Consultations are underway among Western nations

on the transfer of militarily significant technology and the extension of financial credits to the East as well as on the question of energy dependence on the East—that energy dependence of Europe. We recognize that some of our allies' economic requirements are distinct from our own. But the Soviets must not have access to Western technology with military applications, and we must not subsidize the Soviet economy. The Soviet Union must make the difficult choices brought on by its military budgets and economic shortcomings.

Regional Stability

The third element is regional stability with peaceful change. Last year in a speech in Philadelphia and in the summit meetings at Cancun, I outlined the basic American plan to assist the developing world. These principles for economic development remain the foundation of our approach. They represent no threat to the Soviet Union. Yet in many areas of the developing world we find that Soviet arms and Soviet-supported troops are attempting to destabilize societies and extend Moscow's influence.

High on our agenda must be progress toward peace in Afghanistan. The United States is prepared to engage in a serious effort to negotiate an end to the conflict caused by the Soviet invasion of that country. We are ready to cooperate in an international effort to resolve this problem, to secure a full Soviet withdrawal from Afghanistan, and to insure self-determination for the Afghan people.

In southern Africa, working closely with our Western allies and the African states, we've made real progress toward independence for Namibia. These negotiations, if successful, will result in peaceful and secure conditions throughout southern Africa. The simultaneous withdrawal of Cuban forces from Angola is essential to achieving Namibian independence, as well as creating long-range prospects for peace in the region.

Central America also has become a dangerous point of tension in East-West relations. The Soviet Union cannot escape responsibility for the violence and suffering in the region caused by its support for Cuban activities in Central America and its accelerated transfer of advanced military equipment to Cuba.

However, it was in Eastern Europe that the hopes of the 1970s were greatest, and it is there that they have been the most bitterly disappointed.

There was hope that the people of Poland could develop a freer society. But the Soviet Union has refused to allow the people of Poland to decide their own fate, just as it refused to allow the people of Hungary to decide theirs in 1956 or the people of Czechoslovakia in 1968.

If martial law in Poland is lifted, if all the political prisoners are released, and if a dialogue is restored with the Solidarity union, the United States is prepared to join in a program of economic support. Water cannons and clubs against the Polish people are hardly the

I've always believed that people's problems can be solved when people talk to each other instead of about each other.

kind of dialogue that gives us hope. It is up to the Soviets and their client regimes to show good faith by concrete actions.

Arms Reduction

The fourth point is arms reduction. I know that this weighs heavily on many of your minds. In our 1931 *Prism* [Eureka College yearbook], we quoted Carl Sandburg, who in his own beautiful way quoted the mother prairie, saying, "Have you seen a red sunset drip over one of my cornfields, the shore of night stars, the wave lines of dawn up a wheat valley?" What an idyllic scene that paints in our minds—and what a nightmarish prospect that a huge mushroom cloud might someday destroy such beauty. My duty as President is to insure that the ultimate nightmare never occurs, that the prairies and the cities and the people who inhabit them remain free and untouched by nuclear conflict.

I wish more than anything there were a simple policy that would eliminate that nuclear danger. But there are only difficult policy choices through which we can achieve a stable nuclear balance at the lowest possible level.

I do not doubt that the Soviet people and, yes, the Soviet leaders have an overriding interest in preventing the use of nuclear weapons. The Soviet Union, within the memory of its leaders, has known the devastation of total conventional war and knows that nuclear war would be even more calamitous. Yet, so far, the Soviet Union has used arms control negotiations primarily as an instrument to restrict U.S. defense programs and, in conjunction with their own arms buildup, a means to enhance Soviet power and prestige.

Unfortunately, for some time suspicions have grown that the Soviet Union has not been living up to its obligations under existing arms control treaties. There is conclusive evidence the Soviet Union has provided toxins to the Laotians and Vietnamese for use against defenseless villagers in Southeast Asia. And the Soviets themselves are employing chemical weapons on the freedom fighters in Afghanistan.

We must establish firm criteria for arms control in the 1980s if we are to secure genuine and lasting restraint on Soviet military programs through arms control. We must seek agreements which are verifiable, equitable, and militarily significant. Agreements that provide only the appearance of arms control breed dangerous illusions.

Last November, I committed the United States to seek significant reductions on nuclear and conventional forces. In Geneva, we have since proposed limits on U.S. and Soviet intermediate-range missiles, including the complete elimination of the most threatening systems on both sides.

In Vienna, we're negotiating, together with our allies, for reductions of conventional forces in Europe. In the 40-nation U.N. Committee on Disarmament, the United States seeks a total ban on all chemical weapons.

Since the first days of my Administration, we've been working on our approach to the crucial issue of strategic arms and the control and negotiations for control of those arms with the Soviet Union. The study and analysis required has been complex and difficult. It had to be undertaken deliberately, thoroughly, and correctly. We've laid a solid basis for these negotiations. We're consulting with congressional leaders and with our allies, and we are now ready to proceed.

The main threat to peace posed by nuclear weapons today is the growing instability of the nuclear balance. This is due to the increasingly destructive

potential of the massive Soviet buildup in its ballistic missile force.

Therefore, our goal is to enhance deterrence and achieve stability through significant reductions in the most destabilizing nuclear systems—ballistic missiles and especially the giant intercontinental ballistic missiles—while maintaining a nuclear capability sufficient to deter conflict, to underwrite our national security, and to meet our commitment to allies and friends.

For the immediate future, I'm asking my START—and START really means, we've given up on SALT [Strategic Arms Limitation Talks], START means Strategic Arms Reduction Talks—negotiating team to propose to their Soviet counterparts a practical, phased reduction plan. The focus of our efforts will be to reduce significantly the most destabilizing systems—the ballistic missiles, the number of warheads they carry, and their overall destructive potential.

At the first phase, or the end of the first phase of START, I expect ballistic missile warheads, the most serious threat we face, to be reduced to equal levels, equal ceilings, at least a third below the current levels. To enhance stability, I would ask that no more than half of those warheads be land based. I hope that these warhead reductions as well as significant reductions in missiles, themselves, could be achieved as rapidly as possible.

In a second phase, we'll seek to achieve an equal ceiling on other elements of our strategic nuclear forces including limits on the ballistic missile throw-weight at less than current American levels. In both phases, we shall insist on verification procedures to insure compliance with the agreement. This, I might say, will be the 20th time that we have sought such negotiations with the Soviet Union since World War II.

The monumental task of reducing and reshaping our strategic forces to enhance stability will take many years of concentrated effort. But I believe that it will be possible to reduce the risks of war by removing the instabilities that now exist and by dismantling the nuclear menace. I have written to President Brezhnev and directed Secretary Haig to approach the Soviet Government concerning the initiation of formal negotiations on the reduction of strategic nuclear arms, START, at the earliest opportunity. We hope negotiations will begin by the end of June.

We will negotiate seriously, in good faith, and carefully consider all proposals made by the Soviet Union. If the approach these negotiations in the same spirit, I'm confident that together we can achieve an agreement of enduring value that reduces the number of nuclear weapons, halts the growth in strategic forces, and opens the way to even more far-reaching steps in the future.

I hope the commencement today will also mark the commencement of a new era, in both senses of the word a new start toward a more peaceful and secure world.

East-West Dialogue

The fifth and final point I propose for East-West relations is dialogue. I've always believed that people's problems can be solved when people talk to each other instead of about each other. And I've already expressed my own desire to meet with President Brezhnev in New York next month. If this can't be done, I'd hope we could arrange a future meeting where positive results can be anticipated. And when we sit down, I'll tell President Brezhnev that the United States is ready to build a new understanding based upon the principles I've outlined today. I'll tell him that his government and his people have nothing to fear from the United States. The free nations living at peace in the world community can vouch for the fact that we seek only harmony. And I'll ask President Brezhnev why our two nations can't practice mutual restraint. Why can't our peoples enjoy the benefits that would flow from real cooperation? Why can't we reduce the number of horrendous weapons?

Perhaps I should also speak to him of this school and these graduates who are leaving it today—of your hopes for the future, of your deep desire for peace, and yet your strong commitment to defend your values if threatened. Perhaps if he someday could attend such a ceremony as this, he'd better understand America. In the only system he knows, you would be here by the decision of government, and on this day the government representatives would be here telling most, if not all of you, where you were going to report to work tomorrow.

But as we go to Europe for the talk and as we proceed in the important challenges facing this country, I want you to know that I will be thinking of you and of Eureka and what you repre-

ent. In one of my yearbooks, I remember reading that, "The work of the fairie is to be the soil for the growth of strong Western culture." I believe Eureka is fulfilling that work. You, the members of the 1982 graduating class, re this year's harvest.

I spoke of the difference between our two countries. I try to follow the humor of the Russian people. We don't hear much about the Russian people. We hear about the Russian leaders. But you can learn a lot because they do have a sense of humor, and you can learn from the jokes they're telling. And one of the most recent jokes I found kind of, well, personally interesting. Maybe it might tell you something about your country. The joke they tell is that an American and a Russian were arguing about the differences between our two countries. And the American said, "Look. In my country I can walk into the Oval Office, I can hit the desk with my fist, and say, 'President Reagan, I don't like the way you're governing the United States.'" And the Russian said, "I can do that." The American said, "What?" He says, "I can walk into the Kremlin, into Brezhnev's office. I can pound Brezhnev's desk, and I can say, 'Mr. President, I don't like the way Ronald Reagan is governing the United States.'"

Eureka as an institution and you as individuals are sustaining the best of Western man's ideals. As a fellow graduate and in the office I hold, I'll do my best to uphold these same ideals. To the Class of 1982, congratulations, and God bless you.

¹Text from Weekly Compilation of Presidential Documents of May 10, 1982. ■

Visit to Jamaica and Barbados

President Reagan visited Jamaica April 7-8, 1982, and Barbados April 8-11.

Following are the White House statement released after the President's meeting with Jamaican Prime Minister Edward P.G. Seaga on April 7 and the President's remarks following a luncheon meeting in Barbados on April 8 with the leaders of the eastern Caribbean.¹

WHITE HOUSE STATEMENT, KINGSTON, APR. 7, 1982

The President of the United States of America, Mr. Ronald Reagan, who is on a visit to Jamaica, paid a courtesy call on His Excellency Sir Florizel Glasspole and held discussions this afternoon with the Prime Minister, the Right Honorable Edward Seaga.

In the discussions with the President, Prime Minister Seaga expressed the appreciation of the Jamaican Government for the assistance which the U.S. Government has provided for Jamaica's economic recovery program. The Prime Minister noted that since his official visit to Washington in January 1981, a number of issues that had been raised at that time have been carried out. He noted the following:

- The signing of the double taxation agreement, which facilitates the holding of conventions in Jamaica by giving the same opportunities to write off business expenses against U.S. tax liability as if the conventions took place in North America;

- The purchase of 1.6 million tons of bauxite for the U.S. strategic stockpile, which partially offset the reduction in Jamaica's export earnings from bauxite caused by cuts of bauxite/alumina production last year;

- The provisions of balance-of-payments support through the U.S./Jamaica bilateral economic development program, which has enabled the importation of raw materials and other essential supplies; and

- The establishment of the U.S. Business Committee in Jamaica under the co-chairmanship of Mr. David Rockefeller and Mr. William Sneath, which is serving as a catalyst for the promotion of investment, technical assistance, and tourism. This committee has so far initiated 46 investment proposals involving U.S. \$130 million.

The Prime Minister emphasized that these special assistance programs have been fully and effectively utilized by Jamaica to produce a strong turnaround in the first year of the economic



(White House photo by Mary Anne Fackelman)

recovery program. He pointed in particular to the following:

- A growth rate of 1.8% in 1981, the first such positive growth since 1973;
- A balance-of-payments surplus at the end of the first year of the program—the first since 1974;
- Repayment of all outstanding arrears by March 31, 1982, 9 months ahead of program schedule with the IMF;
- Continued reduction of the unemployment rate;
- Reduction of the inflation rate from 28% in 1980 to 4.8% in 1981;
- Commencement of the restoration of the tourist trade, with hotel occupancy levels now of nearly 90%; and
- Receipt of some 500 new investment proposals with a total capital investment potential of U.S. \$800 million.

The President was impressed with the turnaround in the Jamaican economy. He was pleased that U.S. assistance programs had helped support the Jamaican economic recovery program. He noted Jamaica's well-established democratic and constitutional traditions, its respect for human dignity, and its strong, just, judicial and parliamentary systems. The President took note of Jamaica's severe economic and social difficulties and pledged the continued support of the United States in helping to overcome these difficulties.

The President congratulated the Prime Minister on the success of the first year of the economic recovery program and agreed with the Prime Minister's statement that this success had in large part been possible because of the determination of the Jamaican people to earn their way out of the problems of the past through investment and trade.

In these respects, the President noted, Jamaica was already giving emphasis to many of the strategies proposed in the Caribbean Basin initiative. Both leaders agreed that the initiative's strategy to expand domestic production, strengthen the private sector, promote trade and investment, and pursue sound self-help measures was fully consistent with the recovery program being carried out in Jamaica.

Both leaders underlined the need for a concerted comprehensive effort to solve the economic problems of the countries in the Caribbean Basin area. The expanded market opportunities contained in the Caribbean Basin initiative pro-



On April 8, 1982, President Reagan met with Barbadian officials (left to right) Ambassador to the United States Charles Skeete, Foreign Minister Louis Tull, Prime Minister J.M.G. (Tom) Adams, and permanent secretary in the Ministry of Foreign Affairs Bazeene Babb. On the President's right is Under Secretary of State Walter J. Stoessel, Jr., and on his left is U.S. Ambassador to Barbados Milan D. Bish.

(White House photo by Michael Evans)

posals offered a particularly important stimulus for economic development in the region.

They agreed that in the case of the eastern Caribbean special attention should also be given to the urgent infrastructure needs of the countries.

The President and the Prime Minister reviewed recent developments in Central America and the Caribbean and noted with pleasure that the people of El Salvador have, in the March 28 elections, demonstrated overwhelmingly their commitment to the establishment of free democratic institutions in that country.

The President of the United States expressed appreciation for the hospitality shown to him and Mrs. Reagan and their entire delegation during their visit and said that it would serve to further strengthen the friendly relations existing between the two countries.

PRESIDENT'S REMARKS, BRIDGETOWN, APR. 8, 1982²

I am honored to be the first United States President to meet with leaders of the eastern Caribbean here in the islands where the history of this new Western World began.

Columbus found a thriving Indian civilization when he was sailing through these islands, and that blend of that culture and Spanish, English, Asian, and African has created a very rich culture. There are cultural differences making these island nations each unique in its

own way, but at the same time I think that all are bound together with a common heritage of a love of freedom. But at the same time all are bound to each other in more ways than that. And I think the meeting here today serves notice on the world that our destiny is democracy, and the defense of that destiny is one that all of us share.

On the mainland, Central America, as we've been talking about them, rebels, supplied by the Soviet Union through Cuba and Nicaragua, are attempting to shut the door on democracy for the people of El Salvador. Very effectively, worldwide propaganda has tried to convince the world that Communist guerrillas and terrorists were freedom-fighters representing and having the support of the people of El Salvador. A week ago Sunday that lie was exposed for what it was, once and for all.

Guerrillas destroyed hundreds of buses, so people walked many miles under the threat of death to reach the polling places and vote. And they voted for democracy and against Marxism and the tyranny that it represents.

El Salvador isn't the only country that's being threatened with Marxism, and I think all of us are concerned with the overturn of Westminster parliamentary democracy in Grenada. That country now bears the Soviet and Cuban trademark, which means that it will attempt to spread the virus among its neighbors.

May I suggest that the Caribbean initiative offers another and, I believe, quite different course. It aims at secur-

ing peace, prosperity, and freedom for the Caribbean nations by providing new opportunities for economic development. It is a series in a long-term commitment to make available to you more of the free enterprise system's dynamic and potential that serve the people of my own country so well. Your views will be helpful to me in working to get Congress to approve that plan.

Our ties to the nations of the Caribbean are many and strong, and we mustn't let them be weakened by neglect.

Will, you join me in a—and may I say, there's a custom in one city of America that maybe we should follow here today, and that is that in Philadelphia they only stand to toast the dead. So, we won't be toasting the dead;

President's Radio Address to the Nation

President Reagan addressed the nation by radio from Camp David, Maryland, on April 17, 1982.¹

Fellow Americans, throughout our history and particularly in recent years, America's taken on an ever-increasing role as peacemaker—taking the initiative time after time to try to help countries settle their differences peacefully. I don't need to recite the list of diplomatic efforts spanning all Administrations in which we've been instrumental in ending war and restoring peace.

Yet, there are some who still ask which nation is the true peacemaker—the United States or the Soviet Union. Let us ask them, which country has nearly 100,000 troops trying to occupy the once nonaligned nation of Afghanistan? Which country has tried to crush a spontaneous workers' movement in Poland? And what country has engaged in the most massive arms buildup in history? Or let's put the question another way. What country helped its World War II enemies back on their feet? What country is employing trade, aid, and technology to help the developing peoples of the world and actively seeking to bring peace to the Middle East, the South Atlantic, and to southern Africa?

The answer is clear, and it should give us both pride and hope in America. Today I know there are a great many people who are pointing to the

we'll be toasting freedom and the opportunity of those still in this New World. And let us hope that we can all remember the dream we share and the tie that binds us all together here in this Western Hemisphere.

¹Texts from Weekly Compilation of Presidential Documents of Apr. 19, 1982, which also include the President's arrival remarks in Jamaica and dinner toasts (Apr. 7) and his remarks following a meeting with Prime Minister Adams (Apr. 8).

²Made following the President's meeting with Prime Minister R. Milton Cato (St. Vincent and the Grenadines), Prime Minister Vere C. Bird, Sr. (Antigua and Barbuda), Prime Minister M. Eugenia Charles (Dominica), Premier Kennedy A. Simmonds (St. Christopher-Nevis), and Prime Minister J. M. G. (Tom) Adams (Barbados). ■

unimaginable horror of nuclear war. I welcome that concern. Those who have governed America throughout the nuclear age and we who govern it today have to recognize that a nuclear war cannot be won and must never be fought.

To those who protest against nuclear war, I can only say I'm with you. Like my predecessors, it is now my responsibility to do my utmost to prevent such a war. No one feels more than I the need for peace.

Throughout the first half of my lifetime, the entire world was engaged in war or in recovering from war or in preparing for war. Since the end of World War II, there has not been another world conflict. But there have been and are wars going on in various other parts of the world.

This stretch of 37 years since World War II has been the result of our maintaining a balance of power between the United States and the Soviet Union and between the strategic nuclear capabilities of either side. As long as this balance has been maintained, both sides have been given an overwhelming incentive for peace.

In the 1970s, the United States altered that balance by, in effect, unilaterally restraining our own military defenses while the Soviet Union engaged in an unprecedented buildup of both its conventional and nuclear forces. As a result, the military balance which permitted us to maintain the peace is now

threatened. If steps are not taken to modernize our defense, the United States will progressively lose the ability to deter the Soviet Union from employing force or threats of force against us and against our allies.

It would be wonderful if we could restore our balance with the Soviet Union without increasing our own military power. And, ideally, it would be a long step in insuring peace if we could have significant and verifiable reductions of arms on both sides. But let's not fool ourselves. The Soviet Union will not come to any conference table bearing gifts. Soviet negotiators will not make unilateral concessions. To achieve parity, we must make it plain that we have the will to achieve parity by our own effort.

Many have been attracted to the idea of a nuclear freeze. That would be fine if we were equal in strategic capability. We're not. We cannot accept an agreement which perpetuates current disparities. The current level of nuclear forces is too high on both sides. It must be the objective of any negotiations on arms control to reduce the numbers of nuclear weapons.

Since World War II, the United States has attempted to get Soviet agreement to such reductions countless times. We began back when we alone had such weapons. We were never able to persuade the Soviet Union to join in such an understanding even when we proposed turning all nuclear material and information over to an international body and when we were the only nation that had nuclear weapons.

We are preparing a new arms reduction effort with regard to strategic nuclear forces and are already in negotiations in Geneva on intermediate-range missiles threatening Europe. Our objective in these talks is for the elimination of such missiles on the strategic nuclear forces. We will aim on those at substantial reductions on both sides leading to equal and verifiable limits. We will make every effort to reach an agreement that will reduce the possibility of nuclear war.

If we can do this, perhaps one day we can achieve a relationship with the Soviet Union which does not depend upon nuclear deterrents to secure Soviet restraint.

I invite the Soviet Union to take such a step with us. And I ask you, the American people, to support our efforts at negotiating the end to this threat of doomsday which hangs over the world.

¹Text from White House press release. ■

American Power and American Purpose

by Secretary Haig

*Address before the annual meeting of the U.S. Chamber of Commerce, Washington, D.C., on April 27, 1982.*¹

A French philosopher captured the experience of the 20th century when he wrote that "a modern man—and this is what makes him modern—lives with many contraries." Modern science has enlightened us about ourselves and the universe as never before. It has also given us an unprecedented capacity for self-destruction. Modern technology has offered mankind a life of comfort and prosperity unknown to previous generations. But the same industrial processes harnessed to aggression have been used twice to plunge the world into the abyss of war.

The American people have participated to the full in these changes. We have known depression and prosperity, the ordeal of war and the tranquillity of peace. Long ago, Alexis de Tocqueville wrote that a "perpetual stir" prevailed in our society. Perhaps as Americans we were unusually well-suited to thrive in a century of "contraries," for our experiences have dulled neither our enthusiasm nor our desire for quick results.

Observers have questioned, however, whether this "perpetual stir" makes for sound international relations. Americans do not like to believe that problems are intractable or that achievements can only be very modest, despite the effort. It has been argued that the resulting national impatience makes American foreign policy a series of cycles, of strenuous engagements followed by disillusioned withdrawals.

In this century, we have lived through two such major periods of impatience in foreign affairs. For 20 years after the First World War, we pretended to be immune from the suffering of an interdependent world. The cost to other nations and to ourselves was enormous. Determined to avoid this mistake again, we threw ourselves eagerly after the Second World War into the creation of a new international order. As Dean Acheson described it, the task was "to

create half a world, a free half . . . without blowing the whole to pieces in the process."

The successful application of American power to this purpose created the basic security framework within which we and our allies have prospered. Western Europe and Japan have recovered their economic health and political stability. A multitude of independent countries, free to pursue their own development, have emerged from the Western colonial empires. And the U.S.-Soviet rivalry had led neither to war nor to the yielding of essential Western interests.

American resources, American perseverance, and American wisdom provided the crucial underpinning of this international order. But our involvement in Southeast Asia and the denigration of executive authority in the Watergate scandal raised questions about our will and leadership. American foreign policy appeared beset by uncertainty, doubt, and division.

As a consequence, the United States found it difficult to deal with the complex international situation that has emerged over the past decade. The economic growth of Western Europe and Japan, the Sino-Soviet conflict, and the transfer of wealth to the oil producers have softened the sharp edges of American and Soviet dominance over the postwar world. The global military balance, however, is still the province of the superpowers.

The Need for American Leadership

Today it has become essential for the United States and its allies to deal with the new realities. Three trends in particular raise crucial questions about the prospects for Western security—and international peace—for the remainder of the century.

First, lagging Western strength. The United States has gradually lost many of the military advantages over the Soviet Union that once provided a margin of safety for the West—in some cases by choice, in others through neglect and error. Meanwhile, the Western alliance has suffered increasing political and economic strain. The

cooperative impulse still exists, but it would be severely strained by another decade of relative military decline or sterile economic rivalry.

Second, the increasing interdependence of the West and the developing countries, many of which adopt a strident public stance against Western interests and ideals. The Third World has emerged, in all of its diversity, with its fragile unity already fragmented by regional conflict and global rivalry. At the same time, many developing nations are threatened by the increasing strain of sudden social, political, and economic change.

Third, the emergence of the Soviet Union as a global military power, increasingly bold in the use of its might to promote violence, notably in areas of strategic significance to the West. This trend has developed even as the Communist bloc, once the instrument of Soviet purposes, has been shaken by the Sino-Soviet schism and growing internal problems. Chronic economic failure has eroded the appeal of Marxist-Leninist ideology.

Let us ask ourselves, as others are surely asking about us, whether we can change these trends.

- Can we increase our strength and improve our collaboration with our allies?
- Can the West and the developing countries find common interests?
- Can we create a more constructive relationship with the Soviet Union marked by greater Soviet restraint?

I believe that we can do these things. We can safeguard the legacy of Western values and achievements. And we can go beyond the postwar vision of half a world free toward a whole world of greater liberty, more peaceful change and increasing economic progress.

The American people have emerged from their recent experiences convinced anew that there is no substitute for American leadership if we are to live in a world hospitable to our society and our values. In the 1980s, this new American consensus for a more vigorous defense of our interests demand a new balance in the style of our foreign policy. If we forsake ideals to manipulate interests, then America's sense of right will be offended. If we forsake power in order to pursue pieties, then America's sense of reality will be challenged.

Atlantic Alliance

A balanced American foreign policy, sustained by this consensus, will enable America to lead once again. But we must understand the complexities of our time if we are to move with the sureness and sensitivity that befits our historic responsibilities. There are opportunities to act, to navigate the sea of troubles to safer and calmer water.

First, our relationship with our allies. We cannot pretend to lead unless we rally to our side those societies that share our values. The foundation of American foreign policy throughout the postwar era has been our partnership with the Atlantic alliance and Japan. Sheltered by common security arrangements and nourished by democratic values, we and our allies have created the most prosperous societies known to mankind. These historic achievements are the product of our joint labors, our sense of unity, and our strength.

We must recognize, however, that the trends of the past decade have contributed to a rising sense of frustration between the United States and its partners. U.S.-European relations, in particular, have been distressed by the convergence of several events:

- The loss of American strategic superiority and questions about the role of nuclear weapons in NATO strategy;
- Increasing European political and economic stakes in detente and East-West trade, despite aggressive Soviet actions in Afghanistan, Poland, and elsewhere;
- The recent record of low growth and high inflation among the industrial democracies leading to pressure for protectionist measures.

Angered by what they see as European reluctance to face the Soviet challenge, some Americans have been tempted to argue for withdrawal of American forces. Others, disturbed by persistent economic problems, have thought to retaliate by erecting protectionist barriers.

Those who advocate such actions ignore Churchill's admonition that "the only thing worse than fighting with allies is fighting without them." Not a single problem in the Atlantic relationship—diplomatic, military, or economic—can be resolved by unilateral American action. Let us ask ourselves—on both sides of the Atlantic—some fundamental questions. Does our alliance strengthen our security or weaken it?

Do our ties increase our prosperity or diminish it? Do we improve the prospects for democracy and freedom in the world by working together or by going our separate ways?

Foundation of Our Security. The answer to these questions today is the same as that given over three decades ago by the generation whose lives were blighted by world war. The Atlantic alliance is the foundation of our security. It is still the basic building block of a more peaceful and prosperous world. And its breakdown would make disaster for the industrial democracies inevitable.

These are the stakes—and our opportunity—for the 1980s. Either the alliance goes forward together toward greater cooperation or the prospects of all its members will be darkened. But if we are to advance, it is high time that our dialogue proceeded on the basis of fact, especially the fact of who is doing what to sustain the common defense.

Arguments over burdensharing are second nature to any large alliance of sovereign nations. The current trans-Atlantic exchanges, however, must be put in historical perspective. Americans should not forget that our NATO allies substantially increased their defense spending over the past decade, while the United States was reducing its defense effort. Nor should we ignore that the European members of NATO supply a high percentage of the air, ground, and naval forces that constitute the conventional portion of deterrence in Europe. Even worldwide, the contributions of NATO allies and Japan are an important and growing component of defense.

This is not to underestimate the very serious problems we face. We all need to do more together. But our joint concern for the common defense, rather than finger pointing, should dominate the dialogue.

In the days ahead, as we and our allies discuss outstanding issues, the United States must exert not only strong but coherent leadership. The allies must know where we are going if we expect them to go with us. Their policies, especially in dealing with the Soviet Union, reflect not only differing perspectives of Soviet actions but also a tendency to hedge their bets against American swings between detente and confrontation.

The allies, for their part, must develop a broader vision and a sense of responsibility consonant with their interests and strength. They cannot expect the United States to carry the same

share of the burden when our respective capabilities have changed and their own desire for influence has grown.

Relations With the East. Much of our agenda will be dominated by the search for more constructive relations with the East. This search, arms control, and the military balance are all interrelated, not independent and sometimes competing objectives. It is essential that we carry out NATO's two-track decision of 1979 to go forward with the modernization of intermediate-range nuclear systems while simultaneously pursuing arms control negotiations with the Soviet Union designed to limit these systems.

For too long, we have pretended that a relaxation of tensions in Europe would be immune to Soviet attempts to change the balance of power. For too long, we have imagined that the arms control process, in and of itself, could preserve that balance. Deterrence in the 1980s will require painful sacrifices by every member of the alliance; but if we fail to pay the price now, we shall have neither a lasting improvement of relations with the East nor a meaningful reduction of arms.

Economic Well-being. Our collective economic well-being also demands sacrifices from each nation. We cannot afford a repetition of those unresolved quarrels that so damaged the international economic system in the 1930s. In this area, as in others, if we do not progress together we shall each suffer separately.

Our Historic Responsibilities. Finally, we should be conscious of our historic responsibilities as free societies in a world where individual liberty is too often suppressed. There is a tendency in the West to use a double standard in our judgment of international behavior. The advocates of freedom and democracy are subjected to a supercritical standard while the advocates of totalitarianism are given the benefit of the doubt. How much energy is spent criticizing and impugning the democratic revolution while rationalizing and forgiving the assaults of its enemies. Let us be clear about the consequences of this attitude. An alliance divided in its moral purposes and corroded by distrust of its own motivations cannot long endure.

A stronger, more cooperative alliance is an objective surely within our reach. Over the past 30 years, we have grappled successfully with numerous political, economic, military, and moral problems. Our cooperative institutions

still exist. But it is time for the United States and its allies to grasp the nettles that obstruct the future.

Relations With Developing Nations

Let me turn now to another major area where we have a great opportunity for change: our relations with the developing nations. It is one of the ironies of our age that as nations have become more powerful their destinies have grown more interdependent. Together, we and the leaders of the developing countries have an opportunity to make sure that this interdependence is a source of mutual benefit, founded on the solid ground of common interest. The consequences of failure to cooperate would be disastrous for both America and the Third World. But such cooperation must be based on the diverse realities of the present not the slogans of the past.

The so-called Third World includes the oil-rich OPEC [Organization of Petroleum Exporting Countries] nations, the miracle growth rate Singapores, numerous countries utterly impoverished, and many that fit no category. Neither the fading memory of the struggle against imperialism nor the anti-Western tinge of many Third World pronouncements can suppress numerous differences in interests and perspectives. Beneath the surface, new opportunities for economic and political cooperation with the West are being seized by individual Third World states in ever more practical ways.

Such a situation calls for sensitivity and sophistication on our part if we are to expand our links with developing countries. We hold all sovereign states responsible for what they say and do. But we also must recognize the complex equations of economic and political survival in developing nations. Neither we nor they can afford ideological stereotypes in cases where they do not fit.

The Illusion of the Quick Fix.

Another dimension of the Third World's diversity is violent conflict. Ethnic rivalries and territorial divisions, themselves potent sources of trouble, are being exploited by the Soviets and their allies. The United States, working with our Western and regional partners, can do much to help resolve such conflicts. But we should not succumb to the illusion that quick fixes are ready to hand.

The illusion of the quick fix is especially irrelevant to the vast economic crisis and tremendous economic potential that characterize so many of the developing nations. Both we and the nations of the Third World have learned that progress cannot simply be imported. Ultimately the productive forces of each society will make the difference between success and failure.

The leaders of the developing countries are, therefore, challenged today to deal with economic crises in the midst of economic potential by different and more pragmatic methods. The domestic economy, the international economic system, and political purposes must be brought into greater harmony. In part, this means that many leaders wedded to particular ideologies will have to recognize that their prescriptions are suffocating the chances for self-reliance and broad-based growth. But we in the developed world should also realize that growing economic insecurity is hardly conducive to either political stability or the fostering of democratic institutions.

The realities of diversity, conflict, and great potential are bringing about a crucial shift in the attitudes of many Third World nations. Their leaders face excruciating choices. Marxist-Leninist ideology has often been the locomotive that brought them to power, but it has not become an engine for progress. The challenges of economic and social change cannot be overcome perpetually by the resort to archaic slogans and brutal coercion.

An Opportunity for the West. As a consequence, many countries with direct experience of the Soviet embrace are quietly attempting to broaden their relations, to encourage foreign investment, and to reduce dependence on a patron who has little to offer but the tools and techniques of violence. There is growing awareness among erstwhile skeptics in the developing world that it is the West which holds the best hope of negotiating—and the most incentive to negotiate—peaceful solutions to regional conflicts.

Such a convergence of interests offers a unique opportunity to create more constructive and beneficial ties between the West and the developing countries. If we do not seize this opportunity, today's leaders in the search for better relations with the West could well become tomorrow's victims in a more poisonous atmosphere of recrimination, economic slide, and armed conflict. Only our adversaries would be the beneficiaries.

U.S.-U.S.S.R. Relations

Finally, our country faces an historic opportunity in dealing with the Soviet Union. The necessity to grasp the "contraries" and complexities of our era, even as we seek to pursue our purposes is nowhere more critical than in relations between the two superpowers. This is nothing less than a challenge to our national survival—to the values that make life worth living as well as to our physical existence.

The politics of the late 20th century are still dominated by the struggle between two philosophies of justice and national power. In the name of a utopian ideal, Soviet totalitarianism imposes a single social model not only on its own people but on an expanding empire. In contrast, the forces of democracy seek to build national and international institutions based on diversity, individual choice, and peaceful change. The competition between these two approaches will continue.

This rivalry, however, is constrained by another central fact of our time—nuclear weapons. Total victory by military means has become a formula for mutual catastrophe. Even the use of conventional force risks unpredictable consequences.

Our enduring challenge is, therefore to develop and to sustain a relationship with the Soviet Union which recognizes that the competition will proceed but constrains the use or threat of force. We can develop a lasting framework for this relationship if we avoid the extremes that have distorted American foreign policy over the postwar period:

First, that expressions of American goodwill and readiness to negotiate could somehow substitute for American strength and would move U.S.-Soviet relations from competition to cooperation;

Second, that a posture of confrontation, a refusal to negotiate would somehow lead to capitulation by the other superpower.

Legacy of the Past. We are living today with the consequences of this imbalanced approach, in particular, the legacy of a decade when negotiations often seemed to be a substitute for strength. Dominated by the psychology of Vietnam and rising domestic resistance to military programs, we fell into the easy belief that negotiations were not only an alternative to the balance of power but were also proof, in and of themselves, of an expanding com-

unity of interests with the U.S.S.R. too few noticed and understood that détente did not alter Soviet priorities. Even as the West sought a reduction in tensions, the Soviet Union expanded its military forces.

The result of America's wishful thinking and profound national introspection has been swift and sure. Moscow has acted forcibly to expand its dominions. In Vietnam, in Kampuchea, in southern Africa and Ethiopia, in Afghanistan, and now in Central America, we have reaped the grim harvest of self-delusion.

As we rebuild our strength and seek once more to convince the Soviet Union that restraint is in our mutual interest, we must not allow ourselves the error of another extreme. We cannot claim that we are too weak to negotiate and at the same time insist that we are strong enough for a policy of all-out confrontation. Nothing is gained by appearing to fear diplomatic discussions—neither average over the Soviets nor the respect and confidence of our allies. We can no more solve our problems by voiding the negotiating table than by resting our hopes upon it alone.

A Balanced U.S. Approach. An American approach to the Soviet Union that balances strength and negotiations offers the best hope of significant accomplishment. We must place our policy in the context of important changes that are taking place in the world and in the Soviet empire that may make Moscow more amenable to the virtues of restraint. The Soviet attempt to change the balance of power has produced a backlash of increasing international resistance. The American people have shown that they will not accept military inferiority. Moscow has earned the fear and enmity of many nonaligned states through aggression in Afghanistan and support for Vietnam's subjugation of Kampuchea.

This backlash comes when Soviet prospects have dimmed. Moscow's allies are in deep economic trouble and the Soviet growth rate itself is declining. Agricultural shortfalls persist. Above all, as Poland has shown, the Soviet model and Soviet ideology are increasingly rejected by the workers themselves.

Over the decade of the 1980s as the Soviet Union experiences a transition in leadership, it is likely to face greater economic difficulties and growing international isolation—a marked change from an era of unusual stability and expansion. This reality will contrast even

more sharply than before with Moscow's carefully cultivated image of a progressive and peace-loving regime. The Soviet people themselves cannot remain entirely unaffected by the calls for peace and disarmament so avidly aimed by the Kremlin at the West. As a consequence, the Soviet leaders may find it increasingly difficult to sustain the status quo at home while exporting a failed ideology abroad.

During this sensitive and dangerous period of changing superpower relationships, the United States must make clear to the Soviet Union that there are penalties for aggression and incentives for restraint. We cannot conduct business as usual in the face of Soviet adventurism in Afghanistan or Soviet-instigated repression in Poland. But we have also held out the prospect of significant help for Poland if the reform process is renewed. And we are prepared to show Soviet leaders that international moderation can help them face painful domestic dilemmas through broader relations with the United States and other Western countries.

We must also create new realities in the military balance and in regions of crisis to encourage the Soviet Union to accept the need for moderation in its own interest. This is the objective of our new defense programs and of our diplomatic initiatives in areas such as southern Africa, the Middle East, and the Caribbean. Meanwhile, we will continue to probe Soviet willingness to engage in negotiations geared to achieve concrete results, recognizing that progress in all of these areas and arms control is inevitably affected by Soviet conduct and the climate of East-West relations.

An essential part of our strategy is to continue to differentiate among Communist countries themselves. This is a longstanding American policy that encourages autonomy and diversity. It responds not only to a natural sense of national independence but also the evolution of political pluralism.

Finally, just as the Soviet Union gives active support to Marxist-Leninist forces in the West and South, we must give vigorous support to democratic forces wherever they are located—including countries which are now Communist. We should not hesitate to promote our own values, knowing that the freedom and dignity of man are the ideals that motivate the quest for social justice. A free press, free trade unions, free political parties, freedom to travel, and freedom to create are the ingre-

dients of the democratic revolution of the future, not the status quo of a failed past. We want the competition of democracy and communism to be conducted in peaceful and political terms, but we will provide other means if the Soviet Union insists upon violent methods of struggle. There must be a single standard.

In sum, the facts do not support the belief that there can be an early, sudden, or dramatic reconciliation of Soviet and American interests. The competition will continue. But we can make the Soviets more cautious by our action. And as a new generation of Soviet leaders emerges, we can signal the benefits of greater restraint. A balanced and persistent American policy, cognizant of both Soviet strengths and weaknesses, can gradually reduce the dangers inherent in the struggle between the two superpowers.

As the end of the 20th century approaches, let us ask ourselves about the direction of events. Over the past decade, have we moved closer to our goal of a freer and more peaceful world? Unfortunately, many would answer no. Do we have the means, the will, and the skill to shape one? Surely the answer is yes.

To reach our goal is not only a matter of arms, though we need them. It is not only a matter of interests to defend, though defend them we must. And it cannot only be a matter of one framework or another, though our power must be disciplined. The most brilliant conception counts for little without the persistence to pursue it.

Foreign Policy and the Nation's Character

Ultimately, a foreign policy is the test of a nation's character. Today, the test of our character is whether we care enough about the values that make life worth living, the inner beliefs that have sustained Western civilization. Over the centuries, a certain idea of man has taken hold in our societies. The right of the individual, the responsibility of government to the governed, and the rule of law have distinguished our way of life. These ideals are the true source of our strength and the true source of the weakness of our adversaries.

A society where men are not free to speak their minds, where the dignity of the worker is denied, where the community's effort is poured into the weapons of war, is both unnatural and repugnant. In contrast, free expression

by the one or by the many keeps our governments flexible and alert. Words, thoughts, and votes are the foundation of consent, not the police power of the state. And the resources reluctantly devoted to defense are subjected rightly to the most stringent examination and justification.

These ideals are by no means ours alone. They have universal appeal. Our material achievements are admired and emulated. But the power of Western science and technology comes from the power of ideas. The people of the world hunger for our ideas even as they seek the benefits of our machines. Yet if we do not care for our own values, we cannot expect others to respect them or to respect us.

The Strategic Arms Reduction Talks

by Secretary Haig

*Statement before the Senate Foreign Relations Committee on May 11, 1982.*¹

The timing of these hearings could not be better. We are about to enter a new phase of strategic arms control. On Sunday the President announced his desire to open Strategic Arms Reduction Talks (START) by the end of June. We have proposed to the Soviets that the talks take place in Geneva, and I hope we will be in a position to announce a specific date sometime in the next several weeks.

The decision to begin negotiations on strategic arms reduction is a crucial element in the President's comprehensive policy framework for arms control. In November we launched America into an entirely new area of arms control, that involved intermediate-range nuclear forces. More recently, we have begun to participate in efforts within the 40-member U.N. Committee on Disarmament to elaborate a total ban on chemical weapons. We are also engaged in discussions in that forum on nuclear testing. In Vienna negotiations on reductions in conventional forces in Europe are underway. In the coming months, we will renew our efforts to make progress there.

Each of these negotiations is important in its own right. Together they present an opportunity to strengthen deterrence and to reduce the risk of war at all levels. But it is important to remem-

History teaches us that progress is not inevitable. Liberty and democracy have often been denied, and peoples have been forcibly regimented to the dictates of mistaken philosophies. But if we have learned anything from this troubled century, it is, as Churchill declared, that only the swift gathering of forces to confront military and moral aggression can preserve the peace. Such a swift gathering of forces will enable us to create a whole world, a free world, without blowing it to pieces in the process. American power must be bent to this purpose.

¹Press release 147. ■

ber that arms control is a means to an end, not an end in itself.

Our objective is to sustain our national security in a changing international environment and in the face of an expanding Soviet force. Arms control can play a very important part in strengthening our security and restraining the growth of Soviet power through mutually beneficial agreements. But arms control can succeed in this task only if it is coordinated in a strategy that employs the other diplomatic, political, and economic assets at our disposal. This means, among other things, that we must demonstrate our will and capacity to maintain the military balance. It means that we should consult closely with our allies. And it also means that we should seek balanced, equal, and verifiable agreements that reduce the risk of war by reinforcing deterrence.

Our preparations for START have reflected these considerations. The President's proposals have also benefited from the lessons of a decade of American experience with the SALT [Strategic Arms Limitation Talks] process. Ironically, the strategic arms competition so troubling to us all reached new heights during the very period when the SALT negotiations seemed so promising.

We, therefore, developed eight criteria with which to judge alternative approaches to strategic arms control, and these have guided our recent decisions on START.

First, a START agreement must permit the United States to develop and possess sufficient military capability to deter the Soviet Union and to execute the U.S. national military strategy, taking into account the military capability that would be allowed the Soviet Union under such an agreement.

Second, an agreement must be based on the principle of equality. Nothing less than equality is acceptable in the provisions of any future strategic arms limitation agreement for military and political reasons.

Third, a START agreement must promote strategic stability by reducing the vulnerability of U.S. strategic force.

Fourth, there must be effective verification with the necessary counting rules, collateral constraints, and cooperative measures.

Fifth, an agreement must lead to substantial reductions. We took as a given that whatever unit of account was adopted should lend itself to substantial reductions below current levels of force and that reductions should be to equal ceilings.

Sixth, we must be able to explain our objectives and proposals in clear and simple terms to insure that our START approach would enjoy broad public support.

Seventh, our approach had to take into account those matters of particular concern to our allies, including the ability of the United States to maintain a credible deterrent, the relationship of the START approach to the INF [intermediate-range nuclear forces] negotiations, and the likelihood of success.

Eighth and finally, we needed to devise a sustainable position, which could provide a framework for detailed negotiations and the basis for an eventual agreement, even in the face of initial Soviet resistance. This meant the position needed to be demonstrably fair, mutually beneficial, and realistic.

Based upon these criteria, the President has set a new, more demanding goal for strategic arms negotiations. Our objective is to achieve significant reductions in the most destabilizing nuclear systems, especially intercontinental ballistic missiles, thereby strengthening deterrence and stability both for ourselves and for our allies and friends.

To achieve this objective, we will propose to the Soviets in Geneva a practical plan for phased reductions of strategic weapons. This plan is designed to reduce the risk of war by securing agreed steps which will enhance the

ability of the strategic balance. Such a goal can be achieved best by negotiating significant reductions in the most destabilizing weapons possessed by both sides—their numbers, their warheads, their overall destructive potential. This will be the primary focus of U.S. efforts.

In Geneva the United States will propose that, at the end of the first stage of START reductions, ballistic missile warheads be reduced to equal levels at least one-third below current numbers. The United States will propose that, to further enhance stability, no more than half these warheads be deployed on land-based missiles. We wish to see these warhead reductions, as well as significant reductions in deployed missiles, achieved as quickly as possible.

The conclusion of such an agreement could provide the best possible basis for negotiations leading to a second-phase agreement imposing equal ceilings on other elements of U.S. and Soviet strategic nuclear forces, including equal limits on ballistic missile throw-weight at levels less than current U.S. levels. In both cases we will naturally insist on verification procedures to insure compliance with the agreement.

As President Reagan has noted, these proposals represent a very serious and ambitious undertaking. The sheer physical task of reducing U.S. and Soviet strategic forces and reshaping them to enhance stability will undoubtedly take years of concentrated effort. We believe, however, that the United States and the Soviet Union together can remove the instabilities that now exist and reduce significantly nuclear forces on both sides.

Our ability to achieve these ambitious goals depends, in large measure, on the Soviets' willingness to negotiate seriously and in good faith. How serious they will negotiate depends, in turn, on their view of how the military and political environment will look without an agreement. If we fail to adopt the President's military modernization program, we will reduce not the nuclear danger but, instead, the chances of reaching an arms control agreement on strategic forces. A demonstrated willingness to maintain the balance, through bilateral efforts, if necessary, is as indispensable to the success of our efforts to negotiate strategic arms reductions as INF modernization is to the success of the ongoing talks in Geneva. More than any other single defense or political initiative, the President's strategic modernization program and the Congress' support

for the modernization program will make, or break, our attempt to negotiate a reasonable arms control agreement.

The need to maintain the Soviet incentive to negotiate reductions in destabilizing systems would also be undercut by endorsement of many of the nuclear freeze proposals before us. Most proposals would freeze the existing instabilities and perpetuate existing Soviet advantages. They would eliminate the incentives for the Soviets to negotiate toward the even lower levels of nuclear weapons that we can achieve. We want to go beyond a freeze and do better. We believe we can achieve real reductions and thus lessen the risk of war.

We all understand, and share, the anxiety that motivates those who support the freeze. We all agree that we must not miss this opportunity to make a major step toward meaningful arms control and significant reductions. We are concerned, however, that a freeze on nuclear weapons could frustrate our attempts to achieve stability and balance in this critical area.

The discussions and debates on nuclear policy in the Congress and the country reflect both public concern and our capacity as a democracy to discuss the great issues of today. They have helped to focus American attention on the difficult task ahead of us. We particularly support the objectives set by Senators Warner, Jackson, and others for significant reductions in the number

Our objective is to sustain our national security in a changing international environment and in the face of an expanding Soviet force.

of weapons. We hope, however, that this debate will not culminate in fresh battle lines between divided factions but rather a new national consensus in support of the President's proposal for a fair, realistic, and truly beneficial strategic arms agreement.

We feel confident that a better understanding of the needs of deterrence, the state of the military balance,

and the possibilities for arms control will result in strong support for the initiatives we have taken to modernize our forces and to reduce the burden of arms, and the risk of war, through negotiation. Such support will be crucial in convincing the Soviets that we are determined to compete and at the same time that we are eager to reach a meaningful agreement. The incentives for real arms control exist. We have both the means and the duty to supply them. As we embark on this vital enterprise, now is the time to rally behind the President's proposals.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Communist Influence in Southern Africa

by *Chester A. Crocker*

Statement before the Subcommittee on Security and Terrorism of the Senate Judiciary Committee on March 22, 1982. Mr. Crocker is Assistant Secretary for African Affairs.¹

The topic that will be the principal focus of the hearings will be the role of communist influence in southern Africa. The scope will include not only external Communist influence in the area—the role of the Soviet Union, its Warsaw Pact associates, and Cuba—but also Communist influence in political movements indigenous to the area, including the South West Africa People's Organization (SWAPO) and the African National Congress (ANC). Consideration of Communist influence in southern Africa would also include the question of relations of various Communist countries with the independent states of the area, all of which consider themselves to be nonaligned nations.

It is indisputable, faced squarely in policy, terms by President Reagan's Administration beginning in January 1981, in consultation with our Western allies, that a wide range of vital Western interests and U.S. interests, in particular, are engaged in the southern African region. The 10 nations of southern Africa comprise an area of great mineral wealth, including resources critical to Western strategic interests. Angola, South Africa, Mozambique, and the territory of Namibia are all littoral states on the strategic cape sea route, a lifeline of Western commerce. U.S. two-way trade with the countries of southern Africa mounted in 1980 to \$7.2 billion, and U.S. direct investment in the region is estimated at \$2.3 billion.

All of these factors obviously make southern Africa an area of great interest to the Soviet Union and to its surrogates. In recent years, we have remarked a substantial increase in Soviet interest and involvement in the area. In Angola and Mozambique the number and range of activities of Soviet, Cuban, and other foreign Communist advisers and technicians—in the civilian and military domains—has increased, implying concomitant political and economic influence.

The Soviet Union has concluded arms agreements with Zambia and Botswana, complementing those countries' previous arms supply relationships with Western nations. Zimbabwe recently requested North Korea to train and equip a brigade, although that country continues to work closely with the United Kingdom as its primary foreign source of military equipment and training. Other countries of the region and of Africa, in general, have remarked with concern the increase in Soviet activity in the region, noting particularly that the Soviet Union has concentrated its efforts there on military assistance, showing little interest in contributing to the economic development of the region.

Soviet Role in Political-Military Organizations

It is also clear that the Soviet Union has continued to play a very active role in southern African political-military organizations such as SWAPO and the ANC. SWAPO is the primary external Namibian organization seeking power in Namibia. Its military elements are based primarily in Angola and other neighboring countries and carry out some actions within Namibia itself. It exists also as a political structure, inside and outside Namibia, and is one of the parties—the Western Contact Group, the African Front Line States, South Africa, the United Nations, and other Namibian political organizations—to the present negotiations underway to reach a settlement of the Namibia issue.

We estimate that SWAPO receives some 90% of its military support and some 60% of its overall support from Communist sources. It also receives direct assistance from African states, Western states other than the United States, and from some U.N. bodies.

The ANC, which seeks to replace the present government in power in South Africa by violent as well as other means, receives comparable percentages of its military and other support from Communist and other sources. It is basically an African nationalist organization with a long history, founded in 1912, 5 years before the 1917 revolution in Russia. A main thread in the history of the ANC over the years is the vary-

ing degrees of internal and external Communist influence that have characterized what is basically an African organization. These conflicts within the organization have often been very bitter and have resulted in various segments and individuals breaking with the ANC at different points in time.

U.S. Policy

We categorically condemn all terrorist and other violent acts that either of these organizations take to try to bring about change in Namibia and South Africa. Our policy in relationship to both seeks to channel the impetus toward change into peaceful channels. We see in general, in pursuing our objectives in southern Africa to strengthen and make more viable the possibilities of peaceful change. In so doing, we seek to obviate the necessity for terrorism that some parties involved in developments in the region choose to perceive.

In Namibia, we have been working very actively since last April to arrive at a negotiated settlement of the Namibia issue that would bring that territory to an internationally recognized independence based on U.N. Security Council Resolution 435. We are pursuing a carefully crafted, three-phase negotiating process, with coordination at all stages with all of the interested parties including South Africa, SWAPO, and other Namibian political elements.

In South Africa, we are pursuing a careful policy of constructive engagement, encouraging the government of Prime Minister P. W. Botha and other elements in South African society to move away from apartheid toward a South Africa changed—modern and strong—with bright prospects for stability and development rooted in justice, free of the problems that now stand in the way of closer U.S.-South African relations. We believe that a process of peaceful, evolutionary change promises a much better immediate and long-term future for all South Africans than the protracted, bloody terror and violence that is the alternative for that nation.

I believe that the policy that the Reagan Administration is pursuing is one calculated to meet head on the intentions that the Soviet Union may have in southern Africa. These objectives would represent not only a serious threat to our own interests there but also objectives which would also push the people of that area deeper into an environment of chaos, violence, and dis-

order—the antithesis of the peaceful economic development that the leaders of the countries of southern Africa seek for their people.

We proceed on the basis that the Soviet Union does not have a grand design for southern Africa, but that it is, in fact, taking advantage of targets of opportunity that present themselves to act counter to Western interests. The Soviet Union, alone, has a vested interest in keeping the region in turmoil. It is to no one else's advantage—the South Africans, the other southern Africans, and certainly not to the United States and the West.

We seek a settlement in Namibia that will permit a fair and democratic expression of the will of the Namibian people and will bring to power a constitutional government not only with the support of the Namibian people but also with solid long-term prospects for stability.

We seek an end to the guerrilla warfare that has continued in northern Namibia and southern Angola for 15 years now and which has cost the lives of many people in the area, most recently in the South African attack on SWAPO in southern Angola this month.

In seeking to resolve the Namibian problem through negotiations, we strip the Soviet Union and its surrogates of any excuse they have to continue to fuel violence in southern Africa through military aid to SWAPO and through the Cuban forces in Angola.

We seek an end to the conflict between political elements in Angola which has preoccupied that country since 1974.

We seek the withdrawal of all Cuban combat forces from Angola; their continued presence in Angola represents a threat to regional security that is an obstacle to resolution of the Namibian issue. Their removal can also be part of a process of national reconciliation among Angolans that can result in time in a unified, peaceful Angola whose leaders can concentrate the country's efforts on national economic and social objectives.

We seek, through our own programs of assistance and cooperation, alternatives to Soviet involvement in and attempts to dominate the national security structures of independent southern African nations.

Finally, in seeking to encourage South Africans to resolve their problems through peaceful, evolutionary change, we strip the Soviet Union not only of

any justification that it may put forth to justify its efforts to fan tensions within South Africa itself into racial war, but we also make it very clear to the people of other African nations and to the world the gravity with which we view developments in southern Africa and the strength of our own policy. ✓

Conclusion

I think it is important that we all understand that in southern Africa the world faces a dangerous conjunction of factors. Vital Western interests are involved; vital American interests are involved. The Soviet Union is involved. The region itself is severely troubled by problems that inevitably carry with them general instability. South Africa is strong, economically and militarily. But the momentum of events in the area—whether it be toward independence for Namibia, national unity and peace in

Angola, or toward change within South Africa itself—is also strong and vital.

We believe that the diplomacy that the United States is pursuing in southern Africa can be a key factor in the outcome of these developments and that our diplomacy is, in fact, essential if hope for a peaceful solution of southern Africa's problems is to remain alive.

The Department of State will pay the closest attention to the information that will be brought to light by these hearings. I appreciate your giving me the opportunity to present to you at the beginning of the hearings the policy context within which the Administration conducts our diplomacy toward southern Africa.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Role of the U.S. Private Sector in Zimbabwe

by *Chester A. Crocker*

Address before a conference on Zimbabwe sponsored by the American Bar Association and the African-American Institute in New York on March 26, 1982. Mr. Crocker is Assistant Secretary for African Affairs.

Thank you for the opportunity to participate in this conference and to speak on a subject on which I feel strongly, the present and future relationship between the United States and Zimbabwe. The United States has many and varied links with Zimbabwe, the more important of which include substantial political, economic, religious, and educational ties. The high regard shown for Prime Minister [Robert] Mugabe when he visited in August 1980 and for President Banda when he came in October of last year demonstrates the overall esteem Americans have for the Zimbabwean people and for their leaders.

The United States believes that Zimbabwe can become a showcase of economic growth and political moderation in southern Africa, a region of substantial strategic importance to us. That belief rests on facts, not illusions. At a time when much of neighboring Africa

risks sliding into an economic abyss, Zimbabwe has the possibility of pointing, by example, to a brighter future whose central element is economic rationality. Endowed with rich resources, diverse and talented manpower, exceptional economic self-sufficiency, and a solid legacy of infrastructure and administrative institutions, Zimbabwe has the ingredients for a positive program of development and nation building. We are committed to assist Zimbabwe and Prime Minister Mugabe toward achieving those goals. We share fully Zimbabwe's strong belief that relations among the nations of southern Africa must be based upon the principles of mutual respect for sovereignty, independence, and territorial integrity as well as the pursuit of practical policies of political restraint and the belief in negotiated solutions to festering conflicts. Within that context, we believe that the recent extension of the preferential trade agreement between Zimbabwe and the Republic of South Africa is a concrete reflection of the region's potential for mutually beneficial coexistence in the face of basic political difference.

We are aware that Prime Minister Mugabe and his colleagues face tough choices as the leaders of their nation,

choices that call for resourcefulness and determined leadership. Often in such challenging circumstances, consistent pursuit of a path of vision and of moderation requires the leaders of a nation to walk a tightrope. Our judgment is that Prime Minister Mugabe seeks to follow such a course. It is, in substantial part, for this reason that we have sought a good overall relationship with Zimbabwe since independence.

Lest you conclude that I plan to talk today of grand strategy or the tactics of the Namibia negotiations, let me assure you that I am aware of our agenda—investment and development. But these things do not occur—or fail to occur—in a political vacuum.

Zimbabwe is a very special country. Zimbabwe is also an important partner and friend of the United States at the center of the destiny of southern Africa. One of the roles of a friend is sometimes to speak plainly in the knowledge that the friend may then choose to heed or to disregard what is said. Among nations that clearly respect each other's sovereignty and independence, friendship can be strengthened by the good will expressed by the act of speaking plainly. What I am about to say about how we see the future of the economy of Zimbabwe falls in that category.

U.S. Objectives

In an effort to encourage the post-independence government and to demonstrate our firm commitment to Zimbabwe's success as a new nation, the United States pledged \$225 million over a 3-year period at the March 1981 Zimbabwe Conference on Reconstruction and Development. That pledge is consistent with this Administration's stated objectives of constructive engagement in southern Africa and with the goal of assisting the economic development of African nations. It specifically indicates our recognition of both Zimbabwe's obvious potential and its special needs during the first 3 years of independence.

However, the modern history of economic development demonstrates that government-to-government assistance programs—important as they are—cannot by themselves assure the capital, expertise, or motivation required to achieve sustained economic growth. The worldwide economic downturn has exacerbated the problems inherent in strategies which depend primarily on public sector activity and which ignore or actively discourage individual initia-

tive and the private sector. The need to correct the widespread imbalance between public and private economic activity is increasingly recognized in scholarly studies, analyses by international development institutions, and by the leaders of developing countries themselves.

We are fully aware that in Zimbabwe, as in other developing countries, the reputation of capitalism has suffered by association with colonialism. But

. . . It is our basic assessment that Zimbabwe offers considerable and varied opportunities for the American investor.

what is past need not be prologue. As Prime Minister Mugabe has stated clearly, only Zimbabwe's exceptional private sector can generate the resources needed to improve national welfare. Sadly, the experience of some African and other developing countries illustrates the tragedy of economic planning that only redistributes poverty and stifles the universal drive of people to produce and to earn.

As part of the Reagan Administration's worldwide policy of support for economic development, we have embarked upon several new approaches in our assistance programs. We believe these will strengthen the role of indigenous private sectors and facilitate U.S. private investment to stimulate developing economies.

An excellent example of this approach is our commodity import program funded by the Agency for International Development, which the Zimbabwe Government is presently considering. This program has been consciously designed to assist local business firms overcome the constraints imposed by the shortage of foreign exchange. It also gives priority to the replacement of outdated and obsolete capital equipment, particularly in the transportation, civil engineering, and manufacturing sectors.

The commodity import program will also provide balance-of-payment support, help to stimulate economic growth rising from the private sector, and will create new jobs for Zimbabwe's rapidly expanding work force. Local currency counterpart funds generated by the program

will be used by the Zimbabwe Government for mutually agreed upon activities in the fields of education, health, agriculture, and small-scale enterprise, with priority being given to reconstruction and rehabilitation of facilities in the former tribal trust lands. Used in this manner the program will have the dual purposes of stimulating the Zimbabwe commercial sector and of helping the Zimbabwe Government meet its development needs.

Zimbabwe, as suggested above, has a magnificent asset in a well-developed modern infrastructure which includes a relatively well-trained labor force, food self-sufficiency and export capability, a good and improving transportation system, a sound communications network, a strong industrial base, and sophisticated financial institutions.

While this infrastructure is exceptionally well-developed by regional standards, it functioned in the past basically to meet the needs of only a small segment of the population. At independence the Government of Zimbabwe made very clear its commitment to expand and share more broadly the economy's wealth and improve social and economic services as rapidly as possible. As a result, there have been increased expectations and large public spending to meet those expectations which could eventually threaten Zimbabwe's economic viability, particularly if economic growth does not keep pace.

The formidable challenge, then, for Zimbabwe is to attempt to adapt a highly productive economy in the direction of greater equity and broadened participation without succumbing to sometimes inflated expectations for immediate gratification, a process that could place excessive strain on finite resources, manpower, and infrastructure and thereby weaken the base of the economic system. Such a development could also weaken the Zimbabwe Government's own capacity to meet its peoples' needs and might risk sending the country into the position of so many other states today: low growth, loss of food self-sufficiency, and expanding budget deficits.

To meet this challenge, the path of wisdom for Zimbabwe is not to permit unique opportunities for dynamic economic growth with equity to escape, perhaps irretrievably. We hope, instead that Zimbabwe's leaders will devise an innovative approach to economic policy free of the theoretical rigidities which could bar the achievement of the practical results that they and their people want.

Assistance From Private Sector

The United States recognizes that in the coming decades Zimbabwe will need massive amounts of capital for social programs to redress the past imbalances. Although Zimbabwe has the capacity to generate some of this capital domestically, there will be a need for a substantial injection of external capital including private investments.

Zimbabwe's own private sector is unique because of the economy's high degree of self-sufficiency. Where the local private sector provides social as well as economic benefits—employment, training, expansion of opportunities—these should be sustained, not subject to the limitations of budget shortfalls. The private sector is an important source of new talents and ideas. With independence and the end of sanctions, foreign investor participation can play a comparable role. Because the United States is sympathetic to and supportive of the Zimbabwe Government's efforts to respond to rising expectations, we are convinced that the American private sector can be an additional major factor in helping Zimbabwe achieve sustained growth and a continued broadening of effective participation within the modern economic sector.

Zimbabwe as a market for trade and investment is no stranger to the U.S. private sector, and the lifting of sanctions refueled considerable interest among U.S. firms for expanded and new involvement there. Expanded trade which would flow from new investment could help to strengthen ties between our two countries.

Private foreign investment, however, does not always automatically occur even when it appears natural and logical to governments that it should. By the same token, the private sector cannot assume that conditions and policies in developing countries are designed primarily to maximize opportunity for profit. It is a two-way street.

It is our view that both the Zimbabwe Government and the U.S. private sector have responsibilities, therefore, to smooth the way for investment and to make it productive. Today, however, it appears that both parties have become somewhat wary and cautious to the point that progress in attracting investments may not get properly launched and may fall short. I see the following issues as potentially discouraging to U.S. foreign investment, problems which would signal to the Government of Zimbabwe and the foreign investors.

- One issue is lack of a clear, publicly stated government policy on the role and rules of the game for the private sector. Some companies have found particularly unsettling suggestions of eventual state control of most economic activity. The private sector might interpret as detrimental to its productive role the creation of a minerals marketing board. We believe that the Zimbabwe Government's efforts to clarify its approach to the role of the private sector will be especially helpful and that its readiness to work with the private sector toward achieving these goals through private investment will bear rich fruit.

- A second factor is uncertainty over foreign exchange availability, remittances of earnings, transport facilities, expertise availability, and the effect of government deficits on the ability of the private sector to operate effectively.

- Third, the business community, for purposes of its long-term planning, is following current domestic political developments in Zimbabwe as they assess whether the country's hopes for stable and orderly progress will in fact be realized.

- Fourth, delays or difficulties in reaching common understanding on agreements which will promote increased private investment, the OPIC [Overseas Private Investment Corporation] agreement as a case in point, are bound to encourage critics and discourage friends of the positive relationship which is developing between the United States and Zimbabwe.

In sum, American investors are unsure if they can enter Zimbabwe's market, make money, and remit a competitive portion of their profits. What they need, therefore, is predictability, a clearer idea of what the ground rules are, better channels of communications, clear signals that the Government of Zimbabwe has assessed the evidence and has opted to create a climate designed to stimulate investment.

Despite these issues, it is our basic assessment that Zimbabwe offers considerable and varied opportunities for the American investor. To take advantage of these opportunities, the American business community will need to demonstrate its ability to produce and to respond to locally relevant needs. This can best be done by developing specific, creative, and versatile investment proposals which will benefit Zimbabwean society as a whole, for example:

- Agroindustrial projects that emphasize training, expanded opportunities for all Zimbabwean farmers, and growth of production, i.e., projects which help meet several of Zimbabwe's objectives even more efficiently than government programs aimed at the same sectors;

- Industrial activities that promise employment, economic advancement, and increased foreign exchange earnings for the country; and

- Innovative management styles that allow for cooperation with government, the most rapid pace of development of Zimbabwean top management, and sensitivity to local conditions.

In our view, it is clear that Zimbabwe is at a major crossroad of its economic future. I want to stress the potential that can be exploited if the public and private sectors of our two countries can work energetically and cooperatively to keep Zimbabwe on the road to economic growth.

This conference can mark the beginning of a determined effort on both sides to build a climate of positive reinforcement, spurred by extra efforts on each side to create and follow through on specific promising investment opportunities.

If this opportunity is seized, we will all reflect on this conference as an historic step in a process to the greater good of Zimbabwe, the United States, and southern Africa. In my view, failure to do so would represent, on our part and on the part of Zimbabwe, that we have done much less than our best and that a great opportunity has been lost. ■

U.S. Antarctic Program

WHITE HOUSE STATEMENT,
MAR. 29, 1982¹

The United States has significant political, security, economic, environmental, and scientific interests in Antarctica. These are reflected in the Antarctic Treaty of 1959. The system established by that treaty has permitted its parties, who maintain different positions concerning claims to territorial sovereignty in Antarctica, to work together to further scientific research and to insure that Antarctica does not become the scene or object of international discord.

President Reagan has affirmed the U.S. commitment to a leadership role in Antarctica, both in the conduct of scientific research on and around the continent and in the system of international cooperation established pursuant to the Antarctic Treaty. Following a review of a study of U.S. interests in Antarctica prepared by the interagency Antarctica policy group, the President has decided that:

- The U.S. Antarctic program shall be maintained at a level providing an active and influential presence in Antarctica designed to support the range of U.S. Antarctic interests;
- This presence shall include the conduct of scientific activities in major disciplines, year-round occupation of the South Pole and two coastal stations, and availability of related necessary logistics support; and
- Every effort shall be made to manage the program in a manner that maximizes cost-effectiveness and return on investment.

The President also decided that the National Science Foundation will continue to budget for and manage the entire U.S. program in Antarctica, including logistic support activities, so that the program may be managed as a single package. The U.S. Antarctic program would continue to draw upon logistic support capabilities of other government agencies, including the Departments of Defense and Transportation, on a cost-reimbursable basis.

In another development of direct importance to U.S. Antarctic policy, the United States has ratified the Convention on the Conservation of Antarctic Marine Living Resources. This new agreement will establish international mechanisms and create legal obligations necessary for the protection and conservation of the marine living resources found in the waters surrounding Antarctica. It was adopted at a diplomatic conference in Australia in May 1980. The United States, along with the other consultative parties, signed the convention in September 1980.² Last December the Senate gave its advice and consent to ratification, and President Reagan signed the instrument of ratification on February 2. That instrument was conveyed to the Government of Australia, the depositary government, on February 18.

The U.S. ratification is the seventh of the eight necessary to bring the con-

vention into force. The convention is expected to enter into force within the next few months, and the first meetings of the machinery established by the convention are expected in May or June of this year.

The significance of this convention lies not only in its environmental and resource management provisions and objectives; it also represents an important example of international cooperation

among the consultative parties of the Antarctic Treaty.

¹Text from White House press release.

²The other 13 Antarctic Treaty consultative parties are Argentina, Australia, Belgium, Chile, France, the Federal Republic of Germany, Japan, New Zealand, Norway, Poland, South Africa, the U.S.S.R., and the U.K. The German Democratic Republic also signed the convention. ■

U.S.-Canadian Economic Relations

by Robert D. Hormats

*Statement before the Subcommittee on International Economic Policy of the Senate Foreign Relations Committee on March 10, 1982. Mr. Hormats is Assistant Secretary for Economic and Business Affairs.*¹

It is my pleasure to be here today to discuss the current state of U.S.-Canadian economic relations. This comprises a broad group of issues to which we give regular and high-level attention. The U.S.-Canadian interparliamentary group, involving many of your colleagues, convened last week in Florida and addressed most, if not all, the issues I plan to raise here.

There are few countries so interdependent economically as the United States and Canada. Let me start, therefore, by putting issues between us in a broad perspective which reflects the depth, and the mutual benefit, of our relationship. With this as background, I will then discuss the economic differences between our two nations which have increased in the last year or so.

Trade

In 1981, two-way trade exceeded U.S. \$83 billion, accounting for over 17% of U.S. total foreign trade and more than 60% of Canada's total international trade. More than one-sixth of U.S. exports go to Canada, nearly twice that which go to Japan, our next largest customer. Canada sends us a number of important products—including not only raw materials such as minerals and wood products, but also an increasingly wide range of manufactured goods. The U.S.-Canadian auto pact, which was the framework for a total exchange of

automotive products in 1980 of \$19 billion, has produced significant benefit for the U.S. and Canadian auto industry.

While U.S.-Canadian trade remains vitally important and beneficial to both sides, we have problems in specific fields—Maine's problems with Canadian potatoes from the Eastern provinces. These problems arise and can disturb our trade relations, but for the most part, they do not become major issues and are resolved in ways satisfactory to parties on both sides of the border.

Environmental Issues

Canada and the United States share concerns about the preservation of our environment; both countries recognize that we must work together to achieve this goal.

The massive program to clean up the Great Lakes, begun a decade ago, continues. With the assistance of the International Joint Commission, the United States and Canada have succeeded in reversing a pattern of deterioration in the lakes which could have led to their biological death. The results of this massive effort are already evident.

Similarly, we recognize that we can deal with transboundary air pollution, our principal environmental concern, only by working together. Five U.S.-Canada work groups were established over a year ago to define the dimension of this problem and to assemble scientific data. Negotiations on a U.S.-Canada agreement on transboundary air pollution were opened last year. Canadian concerns will be very much in the mind of American policymakers during the renewal of the Clean Air Act. When we consider the work that lies ahead on air pollution, we must remember that the road to improve water quality in the Great Lakes was long.

Defense

In defense, we are the closest of allies. The defense of this continent must be shared if it is to be effective, and it is being shared. The principal bilateral defense tie, the North American Aerospace Defense Agreement, goes beyond our joint undertakings within NATO. Policies are coordinated regularly in the Permanent Joint Board on Defense. Canadian and American forces as well as civilian personnel work and train together at bases in both countries. Cooperation in defense procurement benefits both economies.

Fisheries

Fisheries issues have been particularly important in recent years. In 1979, the United States and Canada signed fisheries and boundary agreements concerning the Gulf of Maine. Convinced that the fisheries agreement could not receive the approval of the Senate, the President withdrew it, just prior to his trip to Ottawa last March. Canada and the United States have now ratified the boundary treaty, and it is in effect. As provided for in that treaty, the World Court has established an ad hoc chamber to determine the boundary. The Court's findings will be binding on both parties.

In the west coast fishery, careful negotiation and a cooperative approach by both sides permitted the resolution—in 1981—of significant differences. In 1979, Canada had seized U.S. albacore tuna boats, and the United States had embargoed tuna imports from Canada. In a treaty which both countries ratified last July, Canadian and U.S. vessels are permitted to fish for albacore tuna along each other's coasts and to land their catch at designated ports in the other country.

Alaska Gas Pipeline

A joint project of the greatest importance to both our countries passed an important stage late last year when, on December 10, the Congress passed legislation submitted by the President to facilitate the private financing of the Alaska gas pipeline. This prodigious undertaking would afford the lower 48 States access to 12% of America's natural gas reserves and provide the equivalent of 400,000 barrels of oil per day, for at least 20 years. It will stimulate exploration which could lead to major new finds. Canada and the United States already have moved ahead on the

construction of the southern portions of the pipeline—linking Alberta to the U.S. west and midwest markets.

Cooperation such as this has been customary in U.S.-Canadian economic relations. Canada has benefited greatly from the openness of the U.S. economy and from major resources provided by U.S. investors. And U.S. exporters and investors have benefited from the Canadian market. The prosperity of both countries has been enhanced by extensive trade, flows of energy resources, and flows of capital. Canadian economic policy has undergone some important changes, however, and these are a source of much of the current friction.

U.S. Investment Policy

U.S. investment policy has, for many years, been based on the fundamental premise that an open international investment system provides the most efficient allocation of global resources. When capital is free to move without hindrance, many nations can benefit through expanding world output. As a corollary, U.S. Government policy is to minimize intervention in the private sector decisionmaking process.

Two basic tenets, which we have strongly supported, are the national treatment and most-favored-nation principles. And we insist, of course, that investment be treated in a fashion consistent with international law. The national treatment principle holds that foreign investors should be treated no less favorably than domestic investors in like situations. The most-favored-nation principle holds that the investors of one foreign country should be treated no less favorably than the investors of any other foreign country. The two principles have the common characteristics of reducing instances of discrimination directed at foreign investment. We have worked bilaterally and multilaterally to gain wide acceptance of these principles and to extend the application of such treatment to a wider range of enterprises.

A particularly important step in this process took place in 1976 when the United States joined other OECD [Organization for Economic Cooperation and Development] member governments in participating in the consensus adopting a declaration on international investment and related decision on national treatment. The declaration and decision were reviewed and reaffirmed in 1979 by a consensus of OECD countries in which the United States also participated.

The adoption of restrictive investment and trade policies by our neighbor and largest trading partner is a matter of particular concern which poses fundamental issues for the members of the OECD, particularly the United States.

Our concerns center on two areas, the restrictive and discriminatory policies in the national energy program now being established and the activities of the existing Foreign Investment Review Agency (FIRA). In addition, Canada just announced a new set of mineral policy proposals.

National Energy Program

Canada proposed its national energy program in October 1980. The basic policy is to be implemented by two major pieces of legislation—the Canada oil and gas act, (Bill C-48) and the energy security act. The Canada oil and gas act passed the Parliament in December, the energy security act has just been introduced in the Parliament.

Our key concern about the national energy program is not its objective—the well-publicized “Canadianization”—but the means used to achieve the objective, especially what we believe to be discriminatory and unfair treatment of foreign investors. The elements of the program which are of most concern are:

- The 25% crown share or “back-in” in existing oil and gas discoveries in federal or “Canada” lands. This changes the rules of the game for foreign firms which have already invested in exploration and development of Canadian energy resources. The Canadian Government now plans to pay a portion of the exploration costs incurred by the companies of Canada lands—which include the northern territories and offshore areas—calling these “*ex gratia*” payments. We believe the decision to make these payments was a positive step. But it is only a very small step, and it is not adequate to compensate for the value of what was taken.

- The old system of depletion allowances available to all producing firms has been replaced by the petroleum incentives program. Under the program, the level of Canadian ownership determines the amount of exploration grants awarded to a company—with the maximum grants awarded to companies with Canadian ownership of 65% or higher. Moreover, qualifying firms must meet strict control tests which verify that the enterprise is controlled and directed by Canadians.

The Canadian ownership rate rules concern us because they embody an overtly discriminatory regime based on nationality to award financial grants to explore in Canada. The control status test troubles us because of the large degree of subjective discretion—rather than objective criteria—that confronts firms. The plans for the program have been modified twice since their initial appearance, most recently on February 9. These changes were intended to clarify the calculation of the ownership rate and to lessen the recordkeeping burden on smaller companies. However, the firms are still uncertain as to where they stand because the depletion allowance system has been cancelled, but companies still are awaiting final regulations governing the program.

- We are also concerned by the constrained shares provision of the energy security act, which gives Canadian corporations the means to achieve and maintain a certain level of Canadian ownership in order to qualify for the petroleum incentives grants. We have had initial discussions with the Canadians on this issue and voiced certain concerns. For instance, a two-thirds vote of holders of a class of shares can restrict eligibility for ownership of that class of shares. This provision is potentially discriminatory; it could depress prices of stock in foreign hands since non-Canadians could be excluded as potential shareholders. We intend to make our concerns clear to the Canadians.

- The Committee on Megaprojects Industrial and Regional Benefits (CMIRB) has as its objective to increase the participation of Canadian firms in major projects and to increase procurement of Canadian goods and services in the energy sector. Depending on how the program is administered, its operations may be in conflict with the provisions of the General Agreement on Tariffs and Trade (GATT), particularly article III, regarding national treatment for imported products.

- Production licenses for oil and gas on Canada lands will only be available to companies with 50% or greater Canadian ownership. Thus, U.S. companies which have explored on Canada lands, and made an exploitable discovery, would be forced to join with a Canadian partner holding at least 50% interest before receiving a license to produce.

- The Canada Oil and Gas Lands Administration (COGLA) has just been established by the Canada oil and gas act to redistribute exploration rights

already held by private companies. We are seeking more information on this. On the basis of what we know, we have a number of initial concerns. By requiring the owners of existing exploration interests to negotiate new exploration agreements with the Government of Canada or to apply for provisional leases, the COGLA will have significant discretion in controlling ongoing exploration operations.

The actual guidelines for the organization are still being drawn up. We have learned that firms may be asked to relinquish a large share of their exploration acreage as a condition for receiving a new exploration agreement—although in cases where leases had already expired, new conditions may have been anticipated. The stated purpose is “to meet an objective of substantially increasing crown reserves (and) to provide for new entry into the frontier areas.” We will make it clear that this should not become another retroactive measure.

COGLA is also supposed to increase Canadian industrial, employment, and social benefits from oil and gas activities on Canada lands. It is not clear how this agency will combine with the CMIRB to enforce “Buy Canadian” policies on energy enterprises. The COGLA also seeks to help meet “Canadian government objectives of increasing equity participation by Canadians and Canadian companies” and to achieve “the objective of increased government participation.” Depending on how it is administered, COGLA raises many potential concerns.

Foreign Investment Review Agency (FIRA)

The FIRA is a legislatively mandated screening Agency which must approve incoming investments. We have not challenged the Agency’s existence or its basic premise—to review inward investment—although we have stressed, and Canada itself has acknowledged, that it is an exception to the national treatment principle—Canada has notified this to the OECD. Our problems center on FIRA’s operations.

First, in judging an application by a foreign investor, FIRA applies a vague and highly subjective standard: whether there is significant benefit to Canada.

Second, FIRA in many cases, extracts undertakings from prospective investors before approving an investment proposal. These are legally enforceable

agreements or performance requirements; such as, undertakings requiring purchase in Canada, export commitments, import restrictions, requirement to hire specific levels of Canadian management and labor, obligations to move productive facilities from the United States to Canada, obligations to transfer patents and know-how to Canada without charge, and other commitments which run counter to generally accepted international practices. These measures can seriously distort investment and trade flows between the United States and Canada. Moreover, because of the way the Agency now operates, its very existence undoubtedly discourages many would-be investors.

The FIRA is essentially aimed at new investment. But it also reviews changes in ownership of Canadian subsidiaries of foreign firms. This might occur when two American firms merge or when an American firm wishes to sell Canadian subsidiary to another non-Canadian firm. These transfers are frequently disapproved by the Agency even in situations where there is no change in the level of Canadian ownership. This policy can have the effect of depressing the value of U.S. firms’ assets in Canada.

Despite Canadian Government claims of a high rate of approval by the Agency, its statistics present an incomplete picture. Many foreign investment applications are either never presented, withdrawn before disapproval, or are greatly modified to accommodate Agency-mandated performance requirements.

National Minerals Policy

Canada announced on March 8 a set of new minerals policy proposals. These were the subject of a joint federal-provincial ministers meeting in mid-January. Though we have made only a very preliminary review of the proposals, the level of foreign ownership in the Canadian minerals sector is about 36%, considerably lower than in the energy sector. The new proposals refer to maintenance of stability in taxation and the investment climate and do not appear to contain specific reference to Canadianization goal like that in the national energy program. We have also noted that there is a reference to increasing procurement of mining machinery from Canadian sources. It is not clear precisely how this would be implemented; we will need to monitor this aspect.

S. Response to Canadian Investment Policies

The rising concern in the United States regarding discriminatory Canadian investment and energy policies has engendered wide-ranging and vigorous discussion on how we should respond. The concerns over Canadian investment policies expressed here in Congress, and U.S. business and labor groups, are valid, and we share them.

National Energy Program—

Multilateral. We have met with Canadian officials on a bilateral basis on numerous occasions to enumerate—with the frankness characteristic of our countries' relationship—our concerns on the national energy program. President Reagan, Secretary Haig, Secretary [of the Treasury, Donald T.] Regan, Ambassador [U.S. Trade Representative, William E.] Brock, and other Cabinet members, and other senior officials have been actively involved in this dialogue. Secretary Haig has had several meetings and conversations with Secretary of State for External Affairs, Mark R.] MacGuigan. Secretary Regan headed a small delegation to Ottawa last October to discuss investment and energy policies. More recently, on December 16, I led an interagency delegation to Ottawa, and we presented our case against the "back-in" provision. Ambassador Brock visited Canada in late January for further discussion, including a meeting with Prime Minister [Pierre-Elliott] Trudeau.

We concentrated initially on the program's provisions, such as the "back-in," contained in the Canada oil and gas act. The Canadian Parliament passed this legislation on December 18. During the course of our discussions, lasting more than a year, the Canadians decided to make "ex gratia" payments for the down share. But these payments cannot be regarded as adequate, and there have not been any significant modifications in other elements of the legislation of concern for foreign investors.

The energy security act contains other objectionable provisions, such as the petroleum incentives program. That legislation was formally introduced in Parliament about 2 weeks ago. A Canadian team visited Washington on March 1 to brief U.S. officials on this legislation. The act introduces a number of complex changes to Canadian energy policy, and we have raised a number of

important concerns about it. We are studying the effects of the act on U.S. interests and will have further discussions with the Canadian Government on the issues raised by the act.

National Energy Program—
Multilateral. In addition to bilateral contacts, we have had numerous consultations on the National Energy Program in multilateral fora, in the OECD Committee on International Investment and Multinational Enterprises (CIME), and the International Energy Agency.

In the CIME, several other member countries have joined us in criticizing the discriminatory aspects of the national energy program which depart from national treatment. We first presented our concerns in the March 1981 meeting of the CIME under the consultation provisions of the 1976 investment instruments—this was the first formal use of these provisions. The discussions continued in subsequent meetings of the Committee and its working group on international investment policies. The United States and the other countries not only raised the specific, substantive aspects of the national energy program which depart from the national treatment principle but also noted that Canada's discriminatory policies could disrupt efforts within the OECD aimed at expanding and strengthening the national treatment principle and could undermine acceptance of the principle by the developing countries.

In response, the Canadian Government described the energy program to the CIME members and reaffirmed its commitment to the national treatment principle. The Canadian Government promised to notify the OECD of the elements of the program which are national treatment exceptions. On the other hand, Ottawa has not, in our view, adequately reconciled its current energy policies with its OECD commitments. Also the Canadian Government has not, to date, fully responded to the various specific concerns raised by the other OECD countries during the consultative process. Thus, the results of these consultations have not been fully satisfactory. However, they have been a useful indication to Canada that the energy program is not solely a U.S. concern but one which is widely shared among OECD member countries.

In the IEA, the effects of the energy program's pricing, taxation, and production policies on Canadian energy supplies have been the subject of multilateral discussions. We have raised

questions about the potential negative supply consequences of the program on Canada's ability to meet its IEA undertakings. These include placing maximum reliance, as practicable, on market forces to promote production and conservation.

A positive development was the statement in the Canadian budget message of November 12 that "the special measures being employed to achieve more Canadian ownership and control of the oil and gas industry are not, in the Government of Canada's view, appropriate for other sectors." On the basis of this assurance, we expect that the Canadian Government will not extend program-type discriminatory measures. Such measures would introduce disturbing new shocks in our bilateral economic relations.

FIRA. As with the energy program, we have had extensive consultations with the Canadian Government on FIRA's practices and its impact on U.S. investors. The Canadian Government is keenly aware of our views but, to date, has shown little willingness to make any significant modifications to meet our specific concerns. Therefore, we reluctantly concluded that we must take our case to the GATT for those elements of FIRA's policies which we consider to be GATT violations.

GATT article XXII provides for consultations between contracting parties on any matter covered by the GATT. At our initiative, consultations under this article took place in Geneva on February 17. Observers from the European Community delegation also attended. At this meeting, we argued that the export and local contents requirements imposed by FIRA in the investment approval process are contrary to GATT articles regarding quantitative or other restrictions on imports, national treatment, and import substitution. The Canadian side heard our case but asked for an adjournment so they could seek instructions from Ottawa on their response.

If the results of these consultations are not satisfactory, we would likely seek a GATT article XXIII proceeding. This is a more formal process, consisting of an international panel. The decision is binding. In that proceeding, we would base our case on the points described above but would also argue that FIRA's practices nullify the benefits of earlier trade agreements and concessions.

The November Canadian budget message promised a review of FIRA's administration and deferred, at least for

the present, an earlier proposal to expand the Agency's mandate to review and monitor already established foreign investments in Canada. This is certainly a positive development. An expansion of the Agency's mandate would have been a serious new derogation from international norms. We were told in the fall that the Agency was considering adopting a policy of more explicitness and openness in its decisionmaking process—in particular, publicly explaining the reasons for disapprovals. There were also indications that size criteria would be applied, granting small businesses special treatment. While certain of our important concerns would remain, these would be positive steps. We have not, however, seen actual signs of such new policies. Foreign investors continue to face complex and difficult Agency performance requirements.

We have an ongoing effort to obtain information on individual companies' experiences with FIRA. This is needed as a basis for presenting our views on the Agency's effects to Ottawa and to international organizations which oversee investment matters. We, of course, avoid jeopardizing individual companies' relations with the Canadian Government. Thus, it is sometimes difficult to obtain a complete picture through the fact-finding process.

Other Issues

In a related area, one of my deputies, Matt Scocozza, visited Ottawa last week to hear Canadian views on the access of U.S. trucking companies to the Canadian market. We are seeking to determine the effect of Canadian provincial regulations and the FIRA on U.S. trucking firms. In the United States, Canadian firms have benefited equally with U.S. firms from the recent liberalization of U.S. laws. The ICC [Interstate Commerce Commission] has halted action on applications by Canadian trucking firms to operate in the United States, at least until it can investigate the issues.

At the discussions last week, involving several U.S. agencies and Canadian provincial and federal officials, we gathered information regarding the relationship of the provincial and federal authorities about U.S. truckers' access to the Canadian market. This information indicated that provincial regulation did not appear to be unfair to American trucking. The ICC will consider this information in their investigation, and we

will maintain our active involvement in the issue.

Finally, because the national minerals policy proposals have just been announced, we have not had an opportunity to assess their implications for U.S. interests, but they appear to raise a number of new issues. We will probably need to seek consultations with the Canadian Government. If these proposals are adopted in ways which are detrimental to U.S. interests, we will take whatever steps are appropriate.

Mineral Lands Leasing Act

The national energy program and FIRA raised questions about whether Canada should still be considered a "reciprocal country" under the terms of the mineral lands leasing act of 1920, thus permitting continued access to U.S. Federal mineral lands to companies owned wholly or in part by Canadians. In February, after a public comment period and after soliciting the views of other interested agencies, Secretary [of the Interior, James G.] Watt ruled that Canada's status as a "reciprocal" country under the terms of the act should not be changed. Interior took into account public comments on factual questions to aid in interpreting whether the act's provisions were met. Interior based its decision on a two-part test: whether U.S. citizens are precluded by Canada from investing in Canadian corporations and whether U.S. investors are discriminated against by exclusion from access to Canadian mineral resources. The Interior Department determined that U.S. citizens may make such investments and that they have access to Canadian mineral resources. It is worth emphasizing that this determination was made in the narrow context of complying with a specific U.S. law and does not address, or prejudice, our position on broader Canadian investment and energy policies.

Future U.S. Responses

As a result of the extensive discussions we have had with Ottawa, I think that it is fair to say that the Canadian Government has a heightened awareness of U.S. congressional, executive branch, and public concerns about the discriminatory and unfair elements of the national energy program and the Foreign Investment Review Agency. For our part, we understand somewhat better—although we continue to have major problems with—the Canadian ra-

tionale for these programs. And we have a much better knowledge of the administrative details of these policies and how they may affect U.S. investors in Canada.

At the same time, substantial differences remain between the United States and Canada over the efficacy and fairness of these Canadian investment and energy policies and their potential impact on the international norms to which most developed nations adhere, as well as the impact on our bilateral economic relationship. Because the energy program is still evolving and because the laws and regulations regarding both the program and FIRA allow for a large measure of administrative discretion in implementation, we cannot accurately forecast the full impact yet. We would now like to describe some of the potential future actions which are available to us on these issues.

First, I think it is essential that we continue and intensify bilateral pressure. The implementation regulations and administrative procedures for the national energy program are not all in place. Some new governmental agencies with potentially wide-ranging mandates have been created in the Canadian energy area, and the scope of operations of these agencies is just being developed. By staying in close touch with Ottawa, we will be better able to gauge the impact of the program on U.S. investors as it evolves and to press for changes in those aspects which have an unfair or harmful impact.

Second, we should vigorously pursue our GATT case on FIRA and initiate a case against the program if it is implemented in ways which are contrary to Canada's GATT obligations. This is important, not only to seek redress for our specific problems with FIRA and the energy program, but also to enlist the support of others and test the ability of the current GATT framework to deal with trade-related investment issues.

Third, we need to continue to encourage Canada to live up to its OECD commitments on national treatment. The OECD investment instruments are not binding in the sense that they contain enforcement procedures or sanctions. But Canada as much as the other OECD countries has benefited from the kind of open international investment regime that the OECD is seeking to foster. The Canadians need to recognize the potentially harmful effects of their policies both within and outside the OECD. In this regard, we expect the Canadians to notify the OECD of all national energy

program-related national treatment extensions, as they have agreed to do, and move to conform to a greater degree with OECD standards.

Fourth, we will continue to stay in close touch with U.S. investors in Canada in order to obtain their views of Canadian actions and legislation, to monitor the impact of the program as it develops, and to be aware of changes in the operations of FIRA. This is particularly important in view of the administrative discretion for Canadian officials provided for under both the program and FIRA regulations.

Fifth, we are prepared to intercede with the Canadian authorities when we believe it necessary or when requested to do so by U.S. firms on specific problems which arise under either the program or FIRA. When there are instances of harmful or discriminatory treatment based on nationality of an enterprise, we will respond promptly and strongly.

Conclusion

Dealing with these investment, energy, and minerals concerns, both Canada and the United States need to keep in mind the importance of resolving our problems in ways consistent with a broader relationship. And we also need to recognize these problems as part of a troubling international progression of investment restrictions. To counter this trend, the United States has sought international discussion of a number of investment issues—notably national treatment and the imposition of performance requirements similar to those mandated by FIRA—in a number of organizations, including the World Bank, the GATT, and the OECD. In the executive committee of the OECD in January, for example, we gained the agreement of other members to reinvigorate the OECD's work on investment. In our preparations thus far for the Versailles summit and the fall GATT ministerial meeting, we are encouraging other governments to consider a more vigorous international approach to investment problems.

Just as we expect that, over time, the deleterious effects of the energy program and FIRA will become clear to

Canada, so do we hope that the positive value of international understandings to reduce or eliminate unfair or harmful investment policies will also become clear. In a period of rapid change and uncertainty, our mutual interests are best served by national policies which attempt to remove distortions to trade and investment flows and which have the ef-

fect of strengthening global allocation of resources according to economic criteria.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Foreign Policy Export Controls

by Ernest B. Johnston, Jr.

Statement before the Subcommittee on Near East and South Asian Affairs of the Senate Foreign Relations Committee on March 18, 1982. Mr. Johnston is Deputy Assistant Secretary for Economic and Business Affairs.¹

Thank you for the opportunity to discuss with you the recent changes the Administration has introduced regarding foreign policy export controls. As you know, when the Export Administration Act (EAA) of 1979 was adopted, the Congress included a provision which mandated after a year the end of foreign policy controls, unless they were extended by the President, and the extension or any subsequent re-extension could last no more than a year. This provision was included because of the congressional view that foreign policy export controls were being imposed too sweepingly, with damage to U.S. trading interests. This requirement insures that controls are periodically scrutinized to insure that they are truly warranted and effective.

The EAA specifies a number of criteria which must be weighed in deciding on any extensions. These criteria include the probability that the extended controls would achieve the intended foreign policy purpose in the light of availability of goods from other countries; the compatibility of the controls with U.S. foreign policy objectives; the reaction of other countries to the controls; the likely effects of controls on the export performance of the United States and its competitive position; the ability of the United States to enforce the controls effectively; and the foreign policy consequences of not imposing the controls.

Foreign policy export controls were identified at the end of 1979 and renewed with minor adjustments at the

end of the 1980, and for a short period of 2 months at the end of 1981. This Administration, after having been in office for a year, felt that a more fundamental and critical review of existing controls was now in order to satisfy the criteria of the EAA. The repeal of the grains embargo in the spring of 1981 was also made with these criteria in mind. Our recent review produced a number of changes with respect to controls for human rights and antiterrorism reasons and special controls affecting exports to South Africa, Libya, and the U.S.S.R. I would like to review with you each of the categories of foreign policy export controls.

Review of Categories

Vietnam, North Korea, Kampuchea, and Cuba. The review did not produce any changes in controls on exports to Vietnam, North Korea, Kampuchea, and Cuba. Almost total trade embargoes are in effect except for gift parcels of items such as food, clothing, and medicine and noncommercial exports to meet emergency needs. Since these export controls are an integral part of our overall policies toward these countries, the Administration did not believe that it would be in the U.S. foreign policy interest to redefine the export restrictions relating to any of these countries except as part of a general improvement of relations.

We have also made no changes in controls on exports which might contribute to the proliferation of nuclear weapons.

Human Rights. The rationale for human rights controls on the export of crime control and detection instruments and equipment is to distance the United States from governments with poor human rights records and to encourage improvements in the respect of human rights. There has been no change in U.S.

policy concerning the importance of adherence to internationally recognized human rights. However, experience with human rights export controls over the past several years has shown that some items having little, if any, use for repression of human rights by law enforcement agencies were needlessly subject to a license requirement. We, therefore, have dropped such items from the crime control and detection equipment list. Examples include television cameras, color film, ultraviolet and infrared communication detection or tracking equipment (except for police model infrared viewers), and bullet and blast resistant garments. Items such as mobile crime laboratories, panoramic radio receivers, voice print equipment, polygraphs, fingerprinting equipment, psychological testing machines, handcuffs, police helmets, shotguns, and shock batons remain on the list.

South Africa. The purposes of our export controls on shipments to South Africa are to support the U.N. arms embargo of South Africa, to distance ourselves from the practice of apartheid, and to promote racial justice in southern Africa. In our review, we concluded that some of the controls went beyond these objectives by restricting sales of goods with minor implications for apartheid or police or military functions.

The adjustments in the new regulations reduce restrictions on trade in the civil sector while maintaining a strong symbolic and practical separation of the United States from the enforcement of apartheid. Controls required to comply with the U.N. arms embargo as well as additional U.S. unilateral controls on items of significance for military or police functions are maintained.

The modifications eliminate controls on items clearly of no security significance and permit licensing on a case-by-case basis of other items under circumstances of little or no consequence to police or military functions. The previous controls prohibited the export of innocuous items not banned by other Western nations; they prevented the export of items largely to the private sector in South Africa if only a small portion of such items might ultimately be sold on the open market to the military and police; and they prevented export of parts and components to third countries if those exports would constitute even an insignificant portion of goods manufactured abroad and sold to the South African military and police.

The new regulations allow the export of some items that would not con-

tribute significantly to military or police functions and include *de minimis* provisions designed to limit other anomalous effects of the old regulations. Modifications have also been made in the regulations governing nonmilitary aircraft and computer sales to South Africa. A validated license continues to be required, however, for the export of aircraft and helicopters and of computers for government agencies enforcing apartheid.

With respect to aircraft and helicopters, export licenses will now be subject to the condition that they may not be put to military, paramilitary, or police use. Under the old regulations, the importer was required to provide a written assurance of that condition. This change eliminates a paperwork burden for the exporter and the U.S. Government and will be substantially as effective as reliance on a written assurance by the importer.

Finally, the computer control has been modified to be more precise. The licensing requirement will specify the five government agencies primarily responsible for enforcing the apartheid system: The Departments of Cooperation and Development, Interior, Community Development, Justice, and Manpower.

Antiterrorism. The purpose of our antiterrorism controls is to underscore our strong opposition to governmental support for international terrorism. Controls are designed to insure that U.S. exports do not contribute to such support. Section 6(I) of the EAA requires that we maintain licensing controls on certain militarily significant items to countries the Secretary of State has designated as repeated supporters of acts of international terrorism. After careful review of available intelligence information the Secretary decided to no longer include Iraq among those countries considered to be repeated supporters of international terrorism, but to add Cuba. We continue to regard Libya, Syria, and the People's Democratic Republic of Yemen as supporters of international terrorism.

In reaching our decision concerning Iraq, we took particular note of the fact that in 1981 Iraq continued the pattern of recent years of reducing assistance to individuals and groups which employ terrorist means. We have a significant interest in encouraging Iraq to take further steps in this direction. It is our belief that this change will support that objective as well as our broader goal of focusing punitive measures on countries

which are today's greatest source of support for terrorist activities. Libya is such a source of support, and we feel that it is important to draw a clear distinction between Iraq's improving record with respect to terrorism and Libya's intense and continuing involvement in international terrorist activities.

We very much hope our recognition of Iraq's improved performance and the addition of Cuba will demonstrate to other countries in the Middle East, including our many friends in the region that our export controls truly reflect our concern for terrorist support. If Iraq were to reverse the encouraging trend of recent years, we would have to be prepared to reverse our recent action.

I should point out that shipments to the Iraqi military are not affected by our action. We are maintaining our policy of strict neutrality in the Iraq-Iran war. It is our policy not to establish a military supply relationship with Iraq or with Iran. All items which would significantly enhance the military capability of either side are denied.

Cuba

I believe you are all aware of the reasons behind designating Cuba as a repeated supporter of acts of international terrorism. In the case of Cuba, we evaluated carefully the evidence of Cuban support for revolutionary violence and groups which use terrorism as a policy instrument. Cuban leaders have publicly asserted a right and a duty to provide such support. One example is the support Cuba has given to the M-19, a Colombian group which has repeatedly engaged in kidnappings, bombings, hostage-takings, and aircraft hijacking. This support caused Colombia to sever diplomatic relations with Cuba in 1981. Our conclusion was that Cuba clearly belongs to the category of states which have repeatedly provided support for acts of international terrorism.

Another modification in our foreign policy trade controls for 1982 is to exempt from our terrorism-related controls sales of civil aircraft for use by regularly scheduled airlines when we have received satisfactory assurances against military end use. This exception would not apply to Libya or Cuba, which are subject to stricter controls. This change is consistent with our general position that foreign policy export controls must be used to further significantly our foreign policy goals. During the several years that antiterrorism controls have been in effect, there has been no discernible link between the sale of civil

ENVIRONMENT

craft to legitimate civil end-users and as of international terrorism. We, therefore, concluded that it is more appropriate to control the sales of civilian aircraft on national security rather than antiterrorism grounds.

We have retained without change previous requirements under antiterrorism controls on aircraft destined to military end-users and civil end-users other than scheduled airlines and on other national security items over \$7 million destined for military end-users or end-use. We have also retained our ability to review cases for aircraft for scheduled airlines and to stop any prospective sales for which there is a significant risk of military use.

bya

Libya has departed in major ways from international norms of behavior. Accordingly, subsequent to our annual review, we significantly tightened controls on exports to Libya. The extraordinary Libyan support for international terrorism and its efforts to destabilize its moderate neighbors continue unabated. The Libyans have shown blatant disregard for assurances they gave us regarding the civilian end-use of off-highway vehicles sold to them when they had these vehicles transformed into tank transporters. We believe that the violation of assurances calls for a strong response. In addition, the Libyans have not hesitated to use U.S. origin civil aircraft to support military operations both in Uganda and Chad.

The President last week, in addition to cutting off U.S. import of Libyan oil, rejected to control all U.S. exports to Libya with the exception of food, agricultural commodities, medicine, and medical supplies. Applications to sell national security items to Libya or oil and gas equipment and technology not available from non-U.S. sources will generally be denied. These controls will complement restrictions on off-highway vehicles and aircraft already in place. Our export control actions will avoid contributing, through trade, to resources used for [Col. Muammer] Qadhafi's adventures.

U.S.S.R.

On December 29, the President expanded controls on oil and gas equipment and technology for the Soviet Union to cover transmission and refining in addition to the 1978 controls on exploration and production. He also suspended issuance

of all licenses on these goods for export to the Soviet Union. On March 1, controls on exports to the Kama River truck plant were expanded to apply to Zil as well as to affect a broad range of equipment and technology for these plants. Controls on exports related to the 1980 Moscow Summer Olympics continue in effect.

The modified controls are compatible with other actions we have taken in response to the Soviet invasion of Afghanistan and to answer to the Soviet role in the current Polish crisis.

International Environmental Issues

by James L. Buckley

Address before the International Environment/Development lecture series sponsored by the International Institute for Environment and Development on May 3, 1982. Mr. Buckley is Under Secretary for Security Assistance, Science, and Technology.

In just a few days, we will be celebrating the 10th anniversary of the 1972 Stockholm conference on the human environment. As one who attended that conference, along with Russ Train, Elvis Stahr, and many others of you who are here today, I believe there is genuine cause for celebration. In noting our failure to meet all of the promises of the Stockholm declaration over the intervening years, we all too often forget how ambitious the whole project was and the enormous progress that has, in fact, been made. As I recall, it was widely feared 10 years ago that developing countries would actively resist environmental restraints in the belief that a certain fouling of the nest was the price that had to be paid for economic progress; that to allow themselves to be cajoled into self-imposed environmental disciplines would consign them to perpetual poverty.

But today, in all parts of the globe, there is growing agreement with the basic proposition that sound economic growth is dependent on sound environmental practice; that the proper management of renewable resources and the land and waters on which they depend offers a given society its greatest hope for sustained progress. True, huge areas

I have given you a short review of the status of our foreign policy export controls, particularly as they were affected by the February 26 extension of existing controls. As I mentioned at the beginning, had that extension not taken place, all of the existing controls would have expired.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

of the Earth's surface continue to be ravaged today, but thanks to the revolution in world thinking that so many of you here today helped spark, there exists a broad international consensus on environmental priorities that transcends political divisions and ideological cleavages and will support cooperative action in pursuit of common goals.

UNEP Conference in Nairobi

Hence the importance of the commemorative meeting that is about to take place in Nairobi [May 10-18, 1982], the "session of special character" that has been convened by the governing council of the U.N. Environmental Program (UNEP). It will be an international event of very great significance and will command broad attention both here and abroad. Not only is its purpose to take stock of how far the international community has come over the decade in response to the spirit and decisions of the Stockholm conference, but it is designed to produce a consensus among the 100 nations expected to participate on the priority problems that need to be met over the balance of this century.

Given the leadership this country has displayed over the last decade in international environmental affairs, our posture and positions in Nairobi will have special importance. I should, therefore, emphasize at the outset that the United States will participate actively and constructively to help insure that the decisions of the conference are responsive to the many future needs and opportunities which lie before the world community in the environmental field. Based on an assessment carried out through our overseas embassies, we

know there is considerable interest on the part of other governments in the session of special character. We also find nations appear to share the view that the meeting can be a timely and effective mechanism for both strengthening national commitments to environmental management and promoting improved coordination of international environmental programs.

We anticipate two principal products from the conference: a "declaration" of a general nature along the lines of that developed in Stockholm and a "decision document" setting forth a series of recommendations for future action by governments and international organizations. U.S. interests lie in making certain that these documents present a declaration of purpose and recommendations of a character that will command broad-based international attention and support. It is, therefore, our hope that the assembled delegations will conduct their deliberations in a candid manner but always in a spirit of cooperation and good will. We must avoid both oversimplification and excessiveness in our description of environmental problems and their solutions, avoid setting forth unattainable goals or recommendations, and, above all, avoid irrelevant and extraneous political detours.

We believe that expressions of concern about unfulfilled Stockholm goals, and emerging new problems, should be tempered by recognition of the impressive strides that have been made over the last 10 years. While much remains to be done, we should acknowledge and be encouraged by the rapid expansion of worldwide awareness of the need to manage the global environment, including the natural resource base, on a sound, sustained basis. Not only has this been translated into new policies, laws, programs, and institutions, but we are now witnessing an increasing number of successes in preventing and abating pollution of the air, water, and land, and in maintaining the productive capacity of the resource base.

U.S. Approach

Our delegation in Nairobi will describe what we have accomplished and learned in working to safeguard the environment here at home because we are proud of what we have managed to do over the past dozen or so years and feel our example and experience can be put to use in the larger international arena.

In discussing our legislative and other initiatives, we will stress the im-

portance of establishing the kind of broad-based commitment to an environmental ethic that has been so critical to our successes here. We could not have made the progress we have without the participation of virtually all sectors of American society—the Federal government; State and local governments; private industry; the scientific community; and, above all, the nongovernmental organizations, the media, and the public. It bodes well for the future that recent polls have indicated that U.S. public interest in solving environmental and resource problems remains at a very high level.

We also intend to call attention to our extensive and productive bilateral environmental relationships with other countries. Among the most important are those with our immediate neighbors, Canada and Mexico. We have also worked closely over the last decade with other developed countries, such as Germany and Japan, to find new solutions to environmental questions. Under our development assistance program, we have been helping a broad array of developing nations to address pollution and resource management problems.

But perhaps our most significant efforts to help other nations develop an awareness of environmental purposes and most importantly the knowledge with which to address them has been under the auspices of the U.S. Agency for International Development. It has been a world leader in carrying out environmental reviews of its proposed projects and also in supporting activities specifically designed to address the natural resource management and environmental protection needs of developing countries. In the period between 1978 and 1982, it has increased its environmental budget from \$13 million to \$130 million with an additional \$23 million being requested for fiscal year 1983. I might point out that these expenditures will have been increased by more than \$40 million under the Reagan Administration. In addition, nearly 5,000 Peace Corps volunteers have devoted attention to a wide range of environmental and natural resource management projects.

Multilaterally, the United States has been present "at the creation" of most of the international environmental organizations in existence today (for example, UNEP, UNESCO's [U.N. Educational, Scientific and Cultural Organization] Man and the Biosphere Program, and the environmental bodies of the Organization for Economic Cooperation

and Development, NATO, and the U.I. Economic Commission for Europe). In addition to our large financial investments in the programs of these institutions, we have also contributed time and talents of hundreds of U.S. scientists, technicians, and managers from both the public and private sectors who have provided essential supporting services.

Past Assessment and Future Concerns

In any assessment of how far the world community of nations has come since Stockholm, recognition must be given the multitude of important international conventions and treaties negotiated to control pollution and to protect natural resources of common concern. Among these are the London marine dumping convention; the convention on international trade in wild and endangered species; the international whaling convention; the convention for conservation of Antarctic seals; the North Pacific fur seal convention; the agreement on the conservation of polar bears; and the convention on long-range transboundary pollution. Again, the United States played a prominent role in first developing, and then implementing, these international agreements.

What is more important than establishing how far we have come since Stockholm, however, is the UNEP special session's mandate to set forth "where we need to go from here." Given the fact that identification of future policy direction and program priorities comes at a time of severe resource constraint throughout the world community, all participating nations have a vital interest in seeing that the conference recommendations are sharply focused, realistic, and appropriate.

In this regard, it is important to note one of the major conclusions of a recent U.N. analysis of "changing perceptions" about environmental problems over the last decade: namely, that the interrelationships among individual components of various ecosystems are much more complex than perceived at the time of Stockholm. We will, therefore, press for recognition that there must be a strengthening of our understanding of environmental problems and processes, including improved analysis of environmental trends, as a basis for sound decisionmaking. It is interesting to note that at Stockholm, such important issues of today as PCBs, groundwater contamination from hazardous

astes, the appearance of heavy metals in polar ice cores, stratospheric ozone depletion, and the potential for carbon dioxide-induced climatic change were not cognized.

By the same token, some of the problems that held our attention 10 years ago have either disappeared or moved to the sidelines. For example, high altitude aircraft flights have not emerged as the serious factor in depleting the ozone layer as was then feared. Also, accumulating evidence suggests that many environmental systems, such as coastal areas subjected to major oil spills, are more resilient to stress than had been previously suspected. And, most importantly, we are finding that people's ability to respond and adapt to changing environmental conditions may similarly have been underestimated.

The U.S. delegation in Nairobi will be addressing a number of other important concerns. These include our continuing desire to see improved coordination and greater efficiency within the U.N. system of organizations. This is especially critical in view of current and projected budget constraints and the ever-present problem of program duplication. Thus, while stressing our continuing support of, and participation in, multilateral programs and institutions, we will, at the same time, note that we will be looking for more in terms of program effectiveness, sound administration, and fiscal responsibility. We will, at the same time, stress the importance of involving private sector institutions in environmental protection programs at both the national and international levels.

The future of UNEP as an institution of course will be considered in Nairobi. A recent U.S. survey suggests that most foreign governments share our view that UNEP should retain and strengthen its catalytic and coordination role but that its program activities should be streamlined and coordinated to a greater degree. Our delegation thus intends to register its continuing support for the original UNEP concept, and call for a narrowing of its program focus, with emphasis on the following:

- Environmental monitoring and assessment;
- Information dissemination to governments;

- Environmental education and training;
- The regional seas program;
- Management of land and biological resources (forests, arid lands, biological diversity);
- Control of potentially toxic substances;
- Intra-U.N. program coordination and catalysis, and reduction of country-level operational activities.

As for the conference itself, our great worry is that it may be forced to confront a number of contentious issues of a political nature having little to do with the important business at hand. Certain delegations, for example, may introduce resolutions on such matters as nuclear armaments, the policies of Israel and South Africa, and variations on the new economic order theme. Efforts to inject divisive political issues into world meetings on subjects such as the environment have been all too commonplace of late. We hope, however, that attempts at such diversions will be contained and the deliberations in Nairobi allowed to proceed smoothly and harmoniously to a constructive conclusion.

U.S. Guiding Principles

In our overall approach to the conference, we will be guided by a series of "global environmental principles" developed by an interagency work group chaired by Council on Environmental Quality Chairman Alan Hill. They are grounded in two basic premises: first, that a healthy environment is fundamental to the well-being of mankind and, second, that economic growth and social progress are necessary conditions for the effective implementation of environmental policies and programs. Other guiding principles will include the following:

- Environmental policy must be based on the needs of both present and future generations;
- Careful stewardship of the Earth's natural resource base will contribute significantly to sound economic development;
- Biological diversity must be maintained;
- Governments should collaborate on addressing problems which extend beyond national boundaries; and
- Governments and individuals alike should insure that their activities do not produce environmental degradation.

These "global environmental principles" (which I have presented in abbreviated form) will provide both a philosophical and pragmatic basis for U.S. environmental efforts at home and abroad, efforts which extend well beyond the forthcoming UNEP session of special character.

Importance of Nongovernmental Organizations

In conclusion, I would like to highlight the importance of the nonofficial agenda at Nairobi. I speak of the forum for nongovernmental environmental organizations which began there today. As was the case at Stockholm, we anticipate that much of the most important input at the conference will come not from official delegations but from the ideas and concepts that will be generated and discussed by the representatives of the nongovernmental organizations participating in that forum.

Our delegation will be looking forward to reviewing the decisions and conclusions they arrived at and will maintain close contact with the American representatives. The work of these private organizations—of the organizations represented here today—has been of incalculable importance in advancing the environmental cause at both the national and international levels. Given where we were just a dozen or so years ago, we have made extraordinary progress. But we all recognize how very much remains to be done and how late in the day it is.

Therefore, your continuing efforts and support will be more important than ever as we seek to consolidate past gains and to set the agenda for the immediate future. The members of our delegation and I will be looking forward to working with you to achieve these profoundly important goals we share. ■

U.S. Relations With West Germany

by Arthur F. Burns

*Statement before the Subcommittee on Europe and the Middle East of the House Foreign Affairs Committee on April 5, 1982. Dr. Burns is U.S. Ambassador to the Federal Republic of Germany.*¹

My message today is simple: While there are problems in our relations with the Federal Republic of Germany, the majority of Germans remains supportive of the United States and cognizant of the broad range of values and objectives we have in common.

Let me turn to some of our problems. Complaints on both sides of the Atlantic attest to an accumulation of tensions. Americans were disappointed in the Federal Republic's delay in deciding to boycott the Moscow Olympics after the Soviet invasion of Afghanistan. They frequently ask why Bonn seems reluctant to pay more to improve billets of American troops in Germany. They were disturbed by the initial reluctance of the Federal Republic's leaders to recognize publicly the Soviet role in the military takeover in Poland. They are puzzled by German criticisms of American policy with regard to El Salvador and Nicaragua. On their side, again to give some examples, Germans have complained in recent years about "zigzags" in American foreign policy and indicated that they wanted stronger U.S. leadership. Now many Germans worry about what they regard as bellicosity in Washington and overemphasis on military solutions.

Sources of Anxiety

Although economic problems have played a part in the friction between our two countries, it is largely the result of political and psychological forces. There is increasing anxiety among the German public, particularly among young people, about the world in which they live. The sources of this anxiety are legion. Many Germans feel that their country has become a pawn in the struggle for supremacy between two superpowers—the Soviet Union and the United States. Fears of a nuclear war fought on German soil are widespread. Environmental concerns, especially with regard to reliance on nuclear fuel, are pronounced,

especially in West Germany. Soviet propaganda pictures the United States as a restless, bellicose power lacking a true desire for peace and willing to risk the nuclear destruction of Europe. At the same time the Soviet Union presents itself as working tirelessly in behalf of international peace and order. The massive peace offensive mounted by the Soviets seeks to drive a wedge between us and our European allies—an exercise in which they have been to some degree successful.

I must say, however, that media concentration on "anti-Americanism" in West Germany strikes me as overdrawn and wide of the mark. The basic national interests of the United States and the Federal Republic have for many years been very similar and they are so recognized by a majority of the German people. In Germany we have a staunch ally. Nevertheless, German anxieties and the differences in perceptions that exist between us and the Federal Republic result from

There is now some fear of a harsher economic environment and a sagging social safety net. There is also a feeling of alienation among young people, as well as among intellectuals at all ages, stemming from concerns about the role of technology and large impersonal organizations in their society. Many young people, furthermore, have come to believe that it is morally wrong to live in affluence when millions in the Third World are starving. Speaking more generally, many Germans nowadays feel that a coherent purpose in life has been eluding them.

Since the United States is frequently identified with things that trouble many Germans—notably superpower rivalry, rampant technology, and militarism—concern has arisen in the Federal Republic about America's international role, more particularly about our ability to manage East-West relations wisely. The Soviet Union has found it useful to exploit European fears of armaments. It has done this with skill and energy,

U.S. Ambassador to the Federal Republic of Germany



Arthur F. Burns was born April 27, 1904, Stanislau, Austria. He graduated from Columbia University (A.B., 1925; A.M., 1927; Ph.D., 1934) and Lehigh University (LL.D., 1952). He has received many other degrees from Brown University, Dartmouth College, Oberlin College, Wesleyan University, and others.

Dr. Burns was distinguished scholar-in-residence, American Enterprise Institute, from 1978 until 1981 and distinguished professorial lecturer at Georgetown University. From 1969 until 1981, he was John Bates Clark professor of economics emeritus at Columbia University. He was chairman of the Board of Governors of the Federal Reserve System (1970-78). Ambassador Burns served as Counselor to the President (1969-70) and was chairman of the President's Council of Economic Advisers (1953-56). He was associated with the National Bureau of Economic Research (1930-69) and was serving as its honorary chairman until his appointment as U.S. Ambassador. He was previously a professor of economics with Rutgers University.

Dr. Burns was sworn in as Ambassador to the Federal Republic of Germany on June 26, 1981. ■

quire careful attention on both sides of the Atlantic if we are to promote successfully our common interests.

Before addressing these issues, I wish to emphasize the need to get our economic houses in order. The element of friction between the United States and the Federal Republic is being worsened by economic difficulties in our two countries. Financial stringency largely accounts for Germany's disinclination to increase defense outlays at this time. Nevertheless, it even now appears that there will be some progress in German willingness to provide additional finance for NATO infrastructure.

Partly because of our own economic problems, we want Germany to bear a larger burden in supporting American forces in the Federal Republic and in providing aid to common allies like Turkey. But Germany right now is preoccupied with difficulties of its own—high interest rates, rising unemployment, and budget constraints—which, though less intense than our economic troubles, are quite disturbing to the German people. The Bonn government believes with some justification that Germany has made a steady, substantial contribution to NATO defenses during the past decade when the United States was downgrading its defense priorities. Bonn feels it must now tighten its belt. We should encourage that effort and try to understand that a healthier German economy will enable the Federal Republic to bear in the future the larger defense burden which we regard as its rightful share.

Politically, we must try harder to understand the interests that motivate the Federal Republic. In our admiration for Germany's postwar recovery, its economic strength, and its increasing role in Europe, we sometimes fail to perceive the limitations that the Germans feel keenly—their status as a divided nation with millions of families having relatives or close friends in East Germany; their role as a European country with limited world responsibilities; their dependence on the good sense of the United States as a nuclear-protecting power but one whose dependability has been called into question by Vietnam, Watergate, and occasional contradictory statements of policy emanating from Washington. Moreover, the Germans are troubled by their geographic proximity to the Soviet Union and the hazards attaching to the only outpost of Berlin.

U.S., F.R.G. Sign Wartime Host Nation Support Agreement

**JOINT STATEMENT,
APR. 15, 1982¹**

The Governments of the United States of America and the Federal Republic of Germany on April 15, 1982, concluded a bilateral agreement under which the German Government intends to make available certain personnel and assets in support of U.S. forces which would deploy to the Federal Republic of Germany in crisis or war. The agreement was signed at the German Foreign Office in Bonn by Hans-Dietrich Genscher, Foreign Minister of the Federal Republic of Germany, and by Dr. Arthur F. Burns, American Ambassador to the Federal Republic of Germany.

This wartime host nation support agreement represents a visible demonstration of the agreed principle of division of labor within the alliance. The agreement is also a strong reaffirmation of the U.S. commitment to the defense of the Federal Republic of Germany and to NATO Europe. Under the terms of the agreement, the United States intends to carry out the rapid reinforcement in crisis of war of its ground and air forces in the Federal Republic of Germany to more than twice their present strength. The agreement will result in an enhanced early deterrent force in Europe and thus strengthen effective forward defense of the alliance area.

For its part, the Federal Republic of Germany intends to train and equip some 93,000 *Bundeswehr* reservists who will provide support to U.S. forces in the areas of transportation, supply, airfield repair, logistics, and security of U.S. Army facilities. The German military reserve manpower required will be made available from the general reserve manpower pool and will not detract from the

current or proposed German Reserve military structure, nor will it in any way diminish the combat effectiveness of the *Bundeswehr*.

Under the agreement, the Federal Republic of Germany also undertakes to make available additional civilian support in the form of transportation, material handling, facilities, and other services.

The agreement is a significant step toward the implementation of the long-term defense program of the alliance. It will have the important benefit of reducing strategic airlift requirements on the United States for support forces, thereby making it possible for the United States to provide a higher percentage of combat troops in an emergency. For this reason and because of the intensified use of in-country assets, the agreement will result in increased cost-effectiveness within the alliance context.

A U.S.-German joint committee has been established to implement the agreement, and detailed plans are being made to begin activating the necessary German reserve units in 1983 and to have the necessary German military and civilian support activities organized and the required training well underway by 1987.

The investment costs of the wartime host nation support program will be approximately \$570 million. These costs, and all operating expenses, will be shared equitably by the United States and the Federal Republic of Germany.

¹Made available to news correspondents by acting Department spokesman Alan Romberg. ■

Differences in Outlook

Because of factors such as these, the Federal Republic takes a different view toward detente than we do. To us detente was another approach to the old question of dealing with the Soviets—an approach that in the end has benefited us little. The Germans, on the other hand, feel that detente has resulted in reduced tensions in Europe and in a

stabilized political situation in and around Berlin. In addition, the Germans have gained through detente closer contacts with their compatriots in the East, also improved trade relations, and a better lot for the 17 million Germans who reside in the German Democratic Republic.

To be sure, as we all know, detente did not lead the Soviets to abandon their foreign adventurism or their military

buildup. Soviet aggression in Afghanistan and the military takeover in Poland have inevitably called into question the basis of detente and the future of *Ostpolitik*. Fortunately, the Reagan Administration has taken major steps to correct our response to Soviet actions. In general, the Government of the Federal Republic approves our decision in this respect. It believes in firmness toward the Soviets. But it also believes that firmness must be coupled with continued dialogue to reduce tensions and to prevent jeopardizing the gains of *Ostpolitik*. It further believes, perhaps naively, that through a process of friendly communication, we in the West can over time encourage respect by the Soviets for human rights as well as some restraint in their international behavior.

There are important differences in the geopolitical roles of the United States and the Federal Republic that influence the world outlook of each. Germany is essentially a regional power. The United States, on the other hand, has global interests and responsibilities. We need to make hard decisions on

numerous questions in which the direct interests of the Federal Republic are quite limited. Many Germans and Americans seem not to appreciate that difference. At times this failure leads to German resentment of our attitude toward their country and to a feeling that we ignore German interests. On the other hand, not a few Americans expect generous economic contributions for our sponsored projects in Asia, the Middle East, Latin America, and other places from a country that is not yet persuaded that it has a global responsibility.

It would be wise for the Germans to consider more carefully the complexities that the United States often faces in providing leadership for the alliance and in taking actions in other areas of the world. From an American viewpoint, the German Government has not been helpful on some issues where American interests are directly and heavily involved, as in the case of El Salvador. The American Government feels that Germany needs to do more, together with other allies, to show displeasure over the repression engineered by the Soviets in Poland. We have also been troubled

about the Federal Republic's caution in involving itself in some problems outside NATO's boundaries, particularly in the Persian Gulf area. We feel that the Federal Republic, being heavily dependent on imports of Middle Eastern crude oil, should play a larger role in support of American policies in that area. Our government is also inclined to believe that the German leadership should assume a larger burden of political responsibility in explaining agreed alliance policies to its own public.

Promoting Common Interests

The United States and the Federal Republic can only achieve a better mutual understanding at the policy level through extensive and effective consultations. The approach to the arms control negotiations at Geneva exemplifies the value of good consultations with our NATO allies. From our frequent conversations with the Germans during the preparatory period, we gained important insights that helped us plan for our discussions with the Soviets. I think it important for the German public, and not only those involved in the peace movement, to recognize that their government has had and is having a real voice in the formulation of alliance policy on armaments control. Just as we have been doing in the armaments negotiations, so our two governments must strive for improved dialogue on other policy issues. To be a shade more specific, we should alert each other to emerging problems at an early stage and thus reduce the kind of misunderstanding that develops when one side thinks is consulting and the other feels it is only being informed after the decisions have been taken. We certainly need to avoid situations where our efforts at genuine consultation are mistaken by the Germans as still another test of the loyalty.

Obviously, the Administration must take a leading role in shaping our relations with the Federal Republic, but there is also much that the Congress could do. This is especially true in the area of improving understanding of basic policy perceptions and interests of our two countries. One way to do this in the context of the newly created German-American group in the *Bundestag*. I urge your support of their effort. Get to know your German counterpart. Telephone them if necessary to get the views on issues under consideration here and convey to them your views about subjects of interest to the United States.

Seventh Report on Cyprus

**MESSAGE TO THE CONGRESS,
MAR. 25, 1982¹**

In accordance with the provision of Public Law 95-384, I am submitting the following report on progress made during the past 60 days toward reaching a negotiated settlement of the Cyprus problem.

In the course of continuing discussion of the United Nations "evaluation" of the intercommunal negotiations, the Greek Cypriot and Turkish Cypriot negotiators met on February 1, 8, 18, and 22 and March 3, 10, 17, and 22. The negotiators are examining the ideas and concepts postulated by the "evaluation" seeking agreement on "points of coincidence" among the issues under discussion between the communities. Meetings have been serious and businesslike focusing on detailed analysis of specific points.

The United Nations deserves our high praise for its rare combination of patience and energy in working to resolve the Cyprus problem. United Nations Secretary General Perez de Cuellar has repeatedly expressed his interest in working to resolve the Cyprus issue. This commitment combined with his unique background on the Cyprus problem reinforces hopes for progress. Likewise, the Special Representative of the Secretary General on Cyprus, Ambassador Gobbi, is proceeding with remarkable diplomatic skill

to promote an environment congenial to substantive negotiation.

I wish to reemphasize the concern of my Administration over Cyprus and the commitment of the United States to assist the United Nations in its effort to foster a just, fair and lasting settlement to the Cyprus problem. Resolution of the Cyprus problem is a priority for the United States and, as evidenced by the United Nations sponsorship of the intercommunal talks, an international priority as well. We believe that the intercommunal negotiations, as epitomized by the ongoing discussion of the United Nations "evaluation," provide the best course for resolving the Cyprus dilemma. Doubtlessly, the negotiating path will be protracted with obstacles to be overcome. With patience, energy and innovative effort, however, mutually acceptable solutions to outstanding differences are possible.

Sincerely,

RONALD REAGAN

¹Identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and Charles H. Percy, chairman of the Senate Foreign Relations Committee (text from Weekly Compilation of Presidential Documents of March 29, 1982). ■

that are being discussed in Germany. I am assured by German parliamentarians that they are most eager to work closely with Members of our Congress.

One issue currently under discussion with the German Government is the Administration's effort to restrain the flow of public credit to the Soviet Union. We are concerned that by extending credits on a liberal scale, European and some other governments have been strengthening the economic potential of the Soviet Union and that they have thereby been helping indirectly to build up in some degree its military machine. The private market now recognizes the financial difficulties faced by the Soviet bloc and is, as a result, sharply curtailing its lending. The present American initiative designed to parallel this reduction in private credits by seeking restraints on officially subsidized credits and export credit guarantees. The reduction of credits and credit guarantees will either cause a contraction in Soviet imports from the West or will require payment in hard currency for what the Soviets choose to purchase.

Our effort to restrict credit to the Soviet Union is perceived by some in Germany and elsewhere as "waging economic warfare." That is by no means the Administration's intention. We merely seek, as far as the Soviets are concerned, to have international financial markets work without undue interference by governmental financial agencies. Of course, our objective is to reduce the provision of advantageous financing to the Soviets so as not to undermine our efforts to strengthen the common defense. I urge you to understand this Administration's effort and to help explain it to your German colleagues.

We must also try to stem the growing deficiency in understanding between our two countries that is reflected in a drifting away of young people from what had previously been a shared belief in our common moral and cultural heritage. Parents, teachers, journalists, and parliamentarians on both sides of the Atlantic have neglected their responsibilities in preparing the new generation of Americans and Europeans to take over the reins of power. The leaders in this rising "successor" generation in our two countries are often uninformed or, worse still, ill-informed about their respective peers. I sense, for example, in young Germans a lack of interest in the study of history—hence their lack of understanding of how the world got where it is. And I find in young Americans a lack of interest in the study of

foreign languages and cultures. One of the more important objectives of the public policies of our two countries must, therefore, be an extension and deepening of the intellectual contact between the young people of our respective societies, so as to rekindle appreciation of each other's values and historic experiences and thus achieve a better understanding of our spiritual, economic, and political interdependence.

We already have a substantial and successful academic exchange program—the Fulbright program—which brings German teachers and university students to the United States and sends American counterparts to the Federal Republic. I am convinced that this program is a vital element in our long-term bilateral relationship. I suggest that we now devote additional attention to an exchange program involving young people at a formative age—that is, well before their prejudices have become ingrained.

I am always loath to suggest additions to the Federal budget and am again reluctant to do so here. But I am certain that a show of congressional intent and support—perhaps a redirection of some of the funds already available for our overseas information and cultural programs and a concerted appeal to the private sector for support of this program—will be a worthwhile investment for our country. Experience

has shown that long-term exchanges of young people, such as those conducted by the American Field Service and Youth for Understanding, pay lifetime dividends in understanding and appreciation of the culture and moral values of the country and the people visited. I, therefore, urge you to give suitable support to German-American youth exchanges.

I am convinced this will prove to be a good investment, not only because the Federal Republic is a key country in Europe but also because it is a loyal, dependable ally whose basic interests and values are essentially supportive of our own. This fact was borne home once again in a poll released recently in which West Germans expressed high confidence in and appreciation for the United States. I believe that with greater sensitivity on our part and better understanding in Germany, our two countries can continue to work effectively together in furtherance of the moral, economic, and cultural values that constitute the essence of Western civilization.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Visit of Italian President Pertini

President Alessandro Pertini of the Italian Republic made a state visit to the United States March 24-April 1, 1982. While in Washington, D.C., March 24-27, he met with President Reagan and other government officials.

Following are remarks made at the welcoming ceremony.¹

WELCOMING CEREMONY, MAR. 25, 1982²

President Reagan

Today all America welcomes you with an open heart. This, I understand is your first visit to the United States. We consider it an honor to have with us a friend who has sacrificed so much for the cause of freedom.

Italy and the United States stand shoulder to shoulder in the defense of democratic government and human freedom. In these perilous times, both our peoples may find comfort in the partnership that has developed between our nations. The great Roman orator Cicero once said: "Friendship makes prosperity more brilliant and lightens adversity by dividing and sharing it." Whether it be good times or bad, our two peoples have demonstrated beyond any doubt that Italy and the United States are and will be friends.

This bond is not solely due to the magnificent contributions Americans of Italian descent have made in this land. Certainly all Americans are aware of these contributions in the arts, in business and industry, and in government. They are monuments of which we

are rightfully proud. Our brotherhood is one of soul as well as blood. If there had never been a migration from your country, we would still be kindred spirits because of our common ideals.

Today these ideals are threatened, but it is heartening to see how they draw us closer together. Your unwavering support of the Western alliance, your willingness to do your part and more for the protection of freedom are much appreciated by the people of the United States.

It is said that actions speak louder than words. If that be true, certainly all the world has heard your message. Your country was one of the first major powers to step forward to participate in the Sinai peacekeeping force. Just as vital to peace was your willingness to provide the alliance the means of maintaining a credible nuclear deterrent as a counterbalance to a massive Soviet buildup. And you were quick to support the oppressed peoples of Afghanistan and Poland.

These commitments to peace and freedom demonstrate that Italy is no passive ally or fair-weather friend but instead is an indispensable partner. One would expect nothing less from people that produced men like Giuseppe Garibaldi, in whose heart burned a flame that united all of Italy.

In recent years, the Italian people have fought a grim battle against a foe every bit as threatening to freedom and independence as foreign tanks or nuclear missiles. A gang of brutal and inhuman thugs, aided and abetted by foreign powers, sought to destroy Italy's democracy by acts of sheer terror. You, Mr. President, know better than most the consequences of submitting to such gangs and what this could mean. The fight against these terrorists has been costly. Aldo Moro and many others—men and women who had much to contribute, who still had much to live for—were cut down.

It takes a special kind of strength to face such an adversary while maintaining democratic institutions. All those who love liberty have prayed for your success. Today I congratulate you and the Italian people for your fortitude. It appears that you are on your way to victory over these cowardly criminals.

I extend to you now, on behalf of all Americans, our thanks for everything that was done to free General James Dozier. This triumph over evil has inspired good and decent people everywhere.

The world is entering a new era of human history. The time commonly known as the postwar period has come to a close. Human freedom faces tremendous challenges. Its future rests upon the shoulders of the citizens of a small number of democratic nations. This heavy weight must be carried, or it will be lost for generations, as Rome with all its glory was destroyed by the barbarians and then engulfed by the Dark Ages. The preservation of freedom is not a task for the weak. We have confidence that the Italian people—rich in heritage and strong in character, like the people of the United States—will meet the historic responsibility before us.

Today, Mr. President, marks the 25th anniversary of the treaty of Rome, which created the Common Market, an agreement that has demonstrated even to the most skeptical that free and independent nations can successfully and effectively work together for mutual benefit. Today, let us, the representatives of two powerful forces—decency and freedom—agree that we will face the challenges of the future together and that in times of prosperity and adversity our friendship will stand.

I look forward to visiting your country in June, and I welcome you now to the United States. May the ties between us be always as strong as they are today.

President Pertini³

The warmth of the welcome you have extended to me on behalf of the United States and my great pleasure in listening to your words at the start of this my first visit to this great country are the



fruit of a very deep-rooted friendship and understanding between our people for it was to the American Revolution, its inherent principles, and also to the Declaration of Rights that the Italians looked as they brought about the unity of Italy in the Risorgimento. And it was to Rome, to Italy, and to their history that often turned the thoughts of those Americans who in Philadelphia drafted the Constitution of the United States.

Over more than two centuries, the contacts between our peoples have become extremely close in all fields. A precious blood tie has grown up between us. You number among the people of the United States that group of Italians who have proved so industrious, vigorous, and loyal. And we Italians will never forget that American soldiers have twice lost their lives for the independence and liberty of Italy and Europe during two World Wars. This friendship between Italy and the United States does not, therefore, follow the dictates of cool diplomatic calculation but instead has roots in the fertile ground of the history of our peoples.

The conversations which myself as the Minister of Foreign Affairs, Mr. Colombo, are to have with you, Mr. President, as well as with other officials of the government and Congress of the United States—these conversations will provide an important forum for the discussion of many aspects of the Italian-American relations and common intentions are proposed within the framework of the Atlantic alliance.

The main reason for my presence here on American soil is, however, to bear witness to certain cherished ideas, aspirations, and values, for it was through these that the Pilgrim Fathers and those fleeing from political, religious, and racial persecution found in America the opportunity to live in peaceful, free, and civilized life.

For these same ideals, we have fought together in Europe. And for these same ideals, we must continue to struggle with tenacity and optimism within the framework of international bodies and institutions. In this way, we reaffirm to the maximum our common faith in free and freely governed peoples.

¹Text from Weekly Compilation of Presidential Documents of Mar. 29, 1982, which also contains remarks by the two Presidents following their meeting and President Reagan's toast at the state dinner on Mar. 25.

²Made on the South Lawn of the White House.

³President Pertini spoke in Italian. ■

U.S. Policy Toward the Persian Gulf

by **Nicholas A. Veliotis**

*Statement before the Subcommittee on Europe and the Middle East of the House Foreign Affairs Committee and the Joint Economic Committee on May 10, 1982. Ambassador Veliotis is Assistant Secretary for Near Eastern and South Asian Affairs.*¹

I welcome the opportunity to appear before the Joint Economic Committee and the European and Middle East Subcommittee to discuss U.S. policy toward the Persian Gulf. I appreciate the courtesy of both committees in deferring this session until after my recent visit to the six Arabian Peninsula countries which have joined in the Gulf Council for Cooperation.

J.S. Interests

The states surrounding the gulf have increasingly become the object of international attention. U.S. interests in the region are longstanding and of great and growing importance.

- We support the independence and territorial integrity of all the gulf states. Because of our own national values, we have an interest in constructive relations with all the peoples there and in their independence, security, progress, and welfare.

- The region is of great importance to the global strategic balance. Events here impact on our ability, and that of our allies, to foster a world order in which all peoples can pursue their national destinies, free of external interference.

- We, like the rest of the international community, depend on access to the region's oil resources on reasonable commercial terms. The degree of this reliance has been reduced in recent months, and we will benefit from our increasing independence from foreign oil. The fact remains, however, that both we and our principal allies will also continue significantly to rely upon gulf resources for the foreseeable future. We want, therefore, to maintain a close dialogue with the gulf oil-producing states, which share with us an interest in an orderly and prosperous world economy.

- The region has become an important market for American products and technology and a major constructive force in international finance and economic development.

Basic Policy Thrust

U.S. interests in the region are longstanding, but the circumstances which have an impact on our interests have changed. To insure and advance our interests in the gulf:

- We have pursued constructive ties with the governments and peoples of the region;

- We have sought peace and security and orderly development there;

- We have pursued cooperation with gulf governments to contribute to peace and security and orderly development beyond the region;

- We have sought mutually beneficial economic and commercial ties, including cooperation on world energy and financial issues; and

- We have endeavored to work closely with our allies in the industrial democracies in developing a cooperative approach toward the region.

Over the last decade senior officials have appeared before Chairman Hamilton's Subcommittee on Europe and the Middle East on several occasions to discuss comprehensively the evolution of the U.S. relationship with the gulf states. Today I would like to build on that process of exchange with the Congress, noting recent developments and outlining the approach of the Reagan Administration to furthering U.S. interests in the region.

In the Persian Gulf, as elsewhere in the Middle East, there have been two main thrusts of the Reagan Administration's policy approach—the pursuit of peace and the pursuit of security. In our quest for these interrelated and mutually reinforcing goals, we seek both to further our own national interests and to assist the peoples of the region to pursue their own legitimate aspirations free of outside pressure. We believe these goals are broadly shared by the states of the region, and we seek to work in ap-

propriate ways with those governments in the gulf which would work with us in pursuing them.

We recognize fully that the friendly states of the gulf are fully engaged both in the geopolitical dynamics of the strategically important gulf region and in the political dynamics of the broader Arab and Islamic worlds. Hence they consider their present and future security and tranquility dependent upon an early resolution of conflict in the gulf and checking of outside pressure on it. But they also see it as deeply dependent upon progress toward resolution of the Palestine issue in all its aspects and sustained movement toward a comprehensive and lasting Middle East peace. The interaction of the two political environments in which these states live creates both internal and external pressures on them. The pursuit of our interests in the gulf requires a policy which addresses both of these major regional issues and purposefully seeks both peace in the Middle East and security in the gulf.

Recent Developments

In the last year or so there have been important developments both positive and negative in the strategic environment of this region. Six states on the Arabian Peninsula side of the gulf—Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates, and Oman—have continued their development as modern societies. These states have taken important steps in the sustained search for greater cooperation by their establishment of the Gulf Council for Cooperation. The impressive development of the council in its first months suggests that a good basis has been established for greater political, economic, and security cooperation among these states. This is an objective which the peoples of the region cherish, and which we welcome and support, for such cooperation is central to building prospects for peace and orderly progress.

At the same time we have witnessed a general improvement in relations between the Gulf Council states and Iraq, at the head of the gulf. This development, which has occurred against the backdrop of the Soviet invasion of Afghanistan and the protracted war between Iran and Iraq, has been accompanied by some enhancement of Iraq's relations with Western Europe and some easing of Iraq's once tight bonds with the Soviet Union. In the past year

our own contacts with the Government of Iraq have expanded and our dialogue on substantive issues has broadened. We believe that resuming normal diplomatic relations would serve the interests of both countries. There recently has been growth in commercial ties and greater participation by our private sector in Iraq's civil development.

Unfortunately, the largest state in the gulf, Iran, remains gripped in the turmoil of its revolution, at war with Iraq, and in uneasy relationship with other gulf neighbors. Given the harsh anti-American attitude of the present regime and the uncertainties of the current situation, we see little prospect for the improvement of our relations in the foreseeable future. At the same time, the Iranians know that the United States remains committed to preserving the territorial integrity of all countries in the area, including Iran and Iraq, and firmly opposed to outside intervention in the internal affairs of Iran and its neighbors. We are proceeding to implement the financial arrangements in connection with the release of the hostages in an orderly manner and in scrupulous adherence to the Algiers declarations. For the future, we will be prepared to improve our relations as circumstances may allow.

The United States remains deeply concerned about the continuation of hostilities between Iraq and Iran; this war danger serves no U.S. national interest, nor that of our allies and friends, and we believe the conflict does not serve the interests of the two belligerent nations. We deplore the loss of life involved and the damage that this conflict has wrought to the development aspirations and welfare of the Iraqi and Iranian peoples.

We have a real concern that this conflict could spill over to threaten neighboring friendly states. The continued deployment of U.S. AWACS [airborne warning and control system] to Saudi Arabia is a manifestation of this concern and of our desire to support friendly states in providing for their own security in this dangerous situation. We have not and will not take sides in this conflict, and we continue to refuse to allow military equipment under U.S. controls to be provided to either party. We support all constructive efforts to bring about an end to the hostilities and withdrawal of forces behind international borders under conditions that will preserve the sovereignty and territorial integrity of both Iran and Iraq.

A Balanced Approach

Let me emphasize that this Administration fully appreciates that U.S. policy toward the gulf must be not only comprehensive but balanced. As we seek to build on our relations with each of the friendly gulf governments, we are confident that our concern for peace and stability in the gulf and in the wider region strikes a chord of deep mutual interest with them and their peoples. We recognize that each of the states has its own particular set of interests and its own distinctive role to play in the region and beyond. We recognize that the degree and nature of our cooperation with each state must reflect this. We also recognize the major interest of our industrial allies in the region and the importance of close consultations and cooperation with them as we pursue our policy objectives there.

The Economic Factor

The United States experience in the gulf began with a strong economic focus. Economic considerations remain an important aspect of our policy approach. Over 50% of the world's proven oil resources are in the gulf region. Currently the states which are members of the Gulf Council also provide half the crude entering world trade. We seek to build a sense of cooperation between these key oil-producing states and the consumer nations. We have passed through a long and difficult period in which producing nations have asserted full control over oil resources and production and in which the world economy has suffered dangerous strains and disruptions through interruptions of oil supplies and sharp price increases.

We need to maintain stable prices and supply, assure security of oil resources, and increase cooperation as producer states assume a greater role in the refining, processing, and marketing phases of the energy and petrochemical industries. At the same time, it is critical to the U.S. national interest, to the economic security of the consuming nations generally, and indeed to the prospects for tranquility in the producing states, that we and other major consumer nations maintain our efforts to reduce dependence on Persian Gulf oil.

It is our policy through such activities as the Joint Economic Commission with Saudi Arabia, a variety of re-

imbursable advisory activities in other states, and the work of the newly established Joint Economic Commission with Oman to continue to make an official U.S. contribution to economic development in the area.

This Administration lays great stress on assisting the pursuit of American commerce in the region. Last year we exported almost \$11 billion in goods to the region, notwithstanding the virtual cessation of our once major trade with Iran. This represented almost 5% of U.S. exports worldwide. In addition our balance of payments benefits significantly from the services U.S. firms provide in participating in the region's development.

We welcome the increasing importance of the gulf states in international finance. We seek to work closely with them both in maintaining the international financial order and in assisting poorer states, particularly those in the general region which are of strategic importance to both the United States and the gulf. This Administration also welcomes constructive investment by gulf countries in our own financial markets and economy.

The Political Factor

Over the last decade we have expanded our longstanding diplomatic relations with Saudi Arabia and Kuwait to include the other four states on the peninsula side of the gulf, as they fully entered the international arena. We have built strong working relationships through close consultations on a range of political issues of mutual interest. These include concern about Soviet pressures against the region.

They also, of course, include the issue which all governments in the region consider central to long-term security and stability, a comprehensive, just, and lasting settlement of the Arab-Israeli conflict. These governments recognize that the United States is dedicated to pursuit of a peace between Israel and all its neighbors and they share this goal. There is, of course, general disagreement with the U.S. approach through the Camp David process, but we remain in close contact to make certain that these governments are accurately informed of our views and our approach.

In the last year we have seen a particularly impressive example of how we can work with gulf governments in the resolution of conflict in the important contribution that Saudi Arabia and

await have made in Lebanon, complementing our own efforts to sustain a cease-fire and defuse tensions.

The Security Factor

In the last several years a number of situations have caused a serious deterioration in the strategic environment in the region—the Iranian revolution, the Soviet-supported coup in Afghanistan and then the Soviet invasion, increased Soviet presence in South Yemen and Ethiopia, the formation of a Libya/South Yemeni/Ethiopia alliance, and the generally more aggressive Soviet international posture with its strategic implications for the gulf. In response to this situation, in recognition of the critical nature of Western interests in the gulf, and in response to concerns of friendly governments there, U.S. policy toward the region has placed a new emphasis on the military or security aspect, bringing it more into balance with the economic and political elements of our policy.

Our security interests and role in the region are, of course, longstanding. For the third of a century U.S. and Western strategy has sought to deter the Soviet threat to the gulf, with our approach varying as conditions have changed. Our security assistance relationship with Saudi Arabia goes back to the immediate post-World War II era, as does our naval presence in the gulf—and as did our security assistance relationship with Iran before the revolution. As our relations have developed with other states in the region, we have moved toward military supply and training relationships appropriate to each state's defense requirements and its security assistance relationships with other Western countries. We intend to remain in close contact with each of the governments on the peninsula side of the gulf about their defense concerns and to act where we appropriately can to assist them in meeting their legitimate defense requirements.

At the same time this Administration recognizes that there is a military aspect at the root of the Soviet pressure against the region, a potential threat with which the thinly populated gulf states could not deal by themselves. The importance of the U.S. role in maintaining a global strategic balance to check Soviet pressures has long been recognized by the leaders in this region. Recent events have made the gulf itself a focal point in the international strategic balance. While there are other sorts of threats to peace and stability with which

friendly states in the region must cope, the pressure the Soviets can bring against the region and our ability to check that pressure impact significantly on the security environment in which regional states cope with problems in the area itself.

In recognition of this reality, this Administration has determined to improve our own capability to project military force toward the region as a deterrent to outside pressure against those friendly states.¹ Through improvement of our deployment capabilities and command structure, through access to facilities in friendly countries which support our increased naval deployments in the Indian Ocean, and through closer security assistance cooperation with certain key states, we are moving to make this region more secure. Our continued deployment of AWACS to buttress Saudi air defense—as Saudi Arabia and its smaller neighbors in the gulf develop a greater sense of security cooperation—is a striking example of how we can make a contribution to the region's security in a way consistent with the political realities there.

In addition we are making major resource contributions, often in cooperation with gulf governments, to build the security and economic health of neighboring countries of strategic importance to the gulf. In this connection our major new undertaking to assist Pakistan—a front-line state facing Soviet forces in neighboring Afghanistan and as such a buffer against Soviet pressures on the gulf—is essential to our broader strategy in the region.

We well understand the sensitivities in the region to treaties or formal alliance with outside powers. We seek no bases. We seek no unilateral benefit. We seek instead a capability to deter outside threat and respond appropriately should friendly states want our help. Our response would reflect a policy in our national interests and would be carried out after appropriate consultations with nations concerned and in strict adherence to our own constitutional processes. Our approach enhances not only the security of our interests and those of our allies in the region but more fundamentally the security of the region itself, so that its peoples may pursue their destinies free of outside pressure.

The effectiveness of our national response to major U.S. interests in the Persian Gulf will be heavily influenced by a variety of issues which are not limited to this region:

- By the progress of the Middle East peace process;
- By the nature of our relations with the Soviet Union;
- By the strength and cohesion of the Western alliance;
- By the strength of our economy and by our military preparedness; and
- By basic trends in the international energy situation.

Moreover, social and political forces in the region itself, elements on which we have little direct influence, will affect relationships with and relationships within the region, for better or for worse.

But we have fashioned a set of policies designed to be supportive of those states in the gulf who would work with us and to contribute to the region's security, political harmony, and our mutual economic welfare. We look forward to strong and beneficial relations with any and all of the governments and peoples of this strategic region who value independence, orderly progress, and a better future.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Deployment and Mission of U.S. Forces in the MFO

LETTER TO THE CONGRESS,
MAR. 19, 1982¹

On December 29, 1981 I signed into law Public Law 97-132, a Joint Resolution authorizing the participation of the United States in the Multinational Force and Observers (MFO) which will assist in the implementation of the 1979 Treaty of Peace between Egypt and Israel. The U.S. military personnel and equipment which the United States will contribute to the MFO are now in the process of deployment to the Sinai. In accordance with my desire that the Congress be fully informed on this matter, and consistent with Section 4(a)(2) of the War Powers Resolution, I am hereby providing a report on the deployment and mission of these members of the U.S. Armed Forces.

As you know, the 1979 Treaty of Peace between Egypt and Israel terminated the existing state of war between those countries, provided for the complete withdrawal from the Sinai of Israeli armed forces and civilians within three years after the date of the Treaty's entry into force (that is, by April 25, 1982), and provided for the establishment of normal friendly relations. To assist in assuring compliance with the terms of Annex I to the Treaty, so as to enhance the mutual confidence of the parties in the security of the Sinai border area, the Treaty calls for the establishment of a peacekeeping force and observers to be deployed prior to the final Israeli withdrawal. Although the Treaty called on the parties to request the United Nations to provide the peacekeeping force and observers, it was also recognized during the negotiations that it might not be possible to reach agreement in the United Nations for this purpose. For this reason, President Carter assured Israel and Egypt in separate letters that "if the Security Council fails to establish and maintain the arrangements called for in the Treaty, the President will be prepared to take those steps necessary to ensure the establishment and maintenance of an acceptable alternative multinational force."

In fact, it proved impossible to secure U.N. action. As a result, Egypt and Israel, with the participation of the United States, entered into negotiations for the creation of an alternative multinational force and observers. These negotiations resulted in the signing on August 3, 1981 by Egypt and Israel of a Protocol for that purpose. The Protocol established the MFO and provided in effect that the MFO would have the same functions and responsibilities as those provided in the 1979 Treaty for the planned U.N. force. Included are: the operation of checkpoints, reconnaissance patrols, and observation posts; verification of the implementation of Annex I of the Peace Treaty; and ensuring freedom of navigation through the Strait of

Tiran in accordance with Article V of the Peace Treaty. By means of an exchange of letters with Egypt and Israel dated August 3, 1981, the United States agreed, subject to Congressional authorization and appropriations, to contribute an infantry battalion, a logistics support unit and civilian observers to the MFO, as well as a specified portion of the annual costs of the MFO. The U.S. military personnel to be contributed comprise less than half of the anticipated total MFO military complement of approximately 2,500 personnel.

In Public Law 97-132, the Multinational Force and Observers Participation Resolution, Congress affirmed that it considered the establishment of the MFO to be an essential stage in the development of a comprehensive settlement in the Middle East. The President was authorized to assign, under such terms and conditions as he might determine, members of the United States Armed Forces to participate in the MFO, provided that these personnel perform only the functions and responsibilities specified in the 1979 Treaty and the 1981 Protocol, and that their number not exceed 1,200 at any one time.

In accordance with the 1981 Egypt-Israel Protocol, the MFO must be in place by 1300 hours on March 20, 1982, and will assume its functions at 1300 hours on April 25, 1982. Accordingly, the movement of U.S. personnel and equipment for deployment to the Sinai is currently under way. On February 26 five unarmed UH-1H helicopters (which will provide air transportation in the Sinai for MFO personnel), together with their crews and support personnel, arrived at Tel Aviv; on March 2 approximately 88 logistics personnel arrived at Tel Aviv; on March 17, the first infantry troops of the First Battalion, 505th Infantry, 82nd Airborne Division arrived in the Southern Sinai; and by March 18 a total of 808 infantry troops, together with their equipment will have arrived. These troops will be equipped with standard light infantry weapons, including M-16 automatic rifles, M-60 machine guns, M203 grenade launchers and Dragon anti-tank missiles.

The duration of this involvement of U.S. forces in the Sinai will depend, of course, on the strengthening of mutual confidence between Egypt and Israel. The U.S. contribution to the MFO is not limited to any specific period; however, each country which contributes military forces to the MFO retains a right of withdrawal upon adequate prior notification to the MFO Director-General. U.S. participation in future years will, of course, be subject to the congressional authorization and appropriations process.

I want to emphasize that there is no intention or expectation that these members of the U.S. Armed Forces will become involved in hostilities. Egypt and Israel are at peace, and we expect them to remain at peace. No

hostilities are occurring in the area and we have no expectation of hostilities. MFO force will carry combat equipment appropriate for their peacekeeping missions, to meet the expectations of the parties as reflected in the 1981 Protocol and related documents, and as a prudent precaution for the safety of MFO personnel.

The deployment of U.S. forces to the Sinai for this purpose is being undertaken pursuant to Public Law 97-132 of December 29, 1981, and pursuant to the President constitutional authority with respect to the conduct of foreign relations and as Commander-in-Chief of U.S. Armed Forces

Sincerely,

RONALD REAGAN

¹Identical letters to Thomas P. O'Neill, Jr., Speaker of the House of Representatives and George Bush, President of the Senate (text from Weekly Compilation of Presidential Documents of Mar. 29, 1982. ■

Libya: U.S. Economic Measures

DEPARTMENT STATEMENT,
MAR. 10, 1982¹

President Reagan, after consultations with Congress and discussions with appropriate foreign governments, has decided to prohibit imports of Libyan oil into the United States and to ban selected exports of U.S.-origin items to Libya.²

We are taking these measures in response to a continuing pattern of Libyan activity which violates accepted international norms of behavior. Libya's large financial resources, vast supplies of Soviet weapons, and active efforts to promote instability and terrorism make it a serious threat to a large number of nations and individuals, particularly in the Middle East and Africa.

Our policy toward Libya has been under careful review for over a year. We have moved in a measured way to address the Libyan challenge by strengthening states in the region threatened by the Libyan Government and supporting peacekeeping initiatives such as the Organization of African Unity (OAU) in Chad. We have previously taken steps to demonstrate that we are no longer prepared to tolerate Libyan misbehavior, such as closing the Libyan People's Bureau in the United States last May.

Nuclear Common Sense

by *Richard T. Kennedy*

Address before the Atomic Industrial Forum in New York on March 22, 1982. Ambassador Kennedy is U.S. permanent representative to the International Atomic Energy Agency (IAEA).

I would like to share with you this morning some of the thinking that has guided the Reagan Administration's approach to nuclear nonproliferation. In the course of the past year, we have continued to pursue two longstanding U.S. objectives: preventing the spread of nuclear weapons to additional countries and encouraging the use of nuclear energy for peaceful purposes. But we have tried to bring to that task nuclear common sense. Let me elaborate.

Since the dawn of the nuclear age nearly four decades ago, the United States has been firmly committed to the objective of preventing the spread of nuclear weapons. And just 15 years ago, that principle was embodied in the Nonproliferation Treaty, support for which has been a basic tenet of our foreign policy and a basic security interest of the world at large ever since—for uninhibited and continuing proliferation of nuclear weapons could only mean the end of world order as we know it. Thus, this Administration remains firmly committed to the goal of preventing the spread of nuclear weapons, a goal of every administration since the nuclear age began. This goal rests on the valid belief that the increasing spread of nuclear weapons around the globe would trigger many new dangers for American and global security and well-being.

There would be a danger, for example, that desperate leaders in high-stakes conflicts might not be deterred from nuclear blackmail or even the use of nuclear weapons to achieve their objectives. A conventional clash between hostile new nuclear powers in a conflict-prone region might escalate by accident or miscalculation to a local nuclear exchange. And the possibility could not be discounted that such a nuclear clash would threaten to involve the superpowers themselves. Moreover, the spread of nuclear weapons could make it easier for a terrorist group to steal or otherwise acquire a nuclear weapon to extort political concessions or funds.

Nuclear Energy for Peaceful Purposes

Preventing the spread of nuclear weapons, however, is not just in the interest of the superpowers. It is in the interest of all countries and regions. Indeed, it is the security of countries in the regions to which nuclear weapons might spread that would be most immediately affected. And the adherence to the Nuclear Nonproliferation Treaty by more than 100 countries indicates that the vast majority of the world's nations recognizes clearly that prevention of the spread of nuclear weapons is essential to their security.

At the same time, the treaty recognizes the importance of making available to all nations the benefits of the peaceful uses of nuclear energy. We also are committed to encouraging and facilitating the use of nuclear energy for peaceful purposes.

President Reagan's October 8 policy statement made clear that this Administration intends to take a positive attitude toward, and to foster increased domestic reliance on, nuclear power without compromising public health and safety. We seek, for example, to lessen the regulatory impediments which have contributed to the reluctance of utilities to purchase new nuclear power plants. We have lifted the embargo on domestic reprocessing, and we are encouraging private sector involvement in this area. We are moving ahead with a demonstration of breeder reactor technology, including completion of the Clinch River breeder reactor. And we are expediting efforts to include the passage of needed legislation to put into operation facilities for waste management.

Looking abroad, it is clear that, while some opposition exists, many nations are committed to reliance on nuclear energy to meet an important part of their energy requirements. The countries of EURATOM and Japan already have advanced nuclear industries and rely to a considerable degree on electricity from nuclear power stations. And they are moving toward ultimate deployment of the breeder reactor. South Korea and Taiwan already are developing increasingly sophisticated nuclear infrastructures; Egypt and the Philippines are entering the nuclear energy world; and, closer to home,

We have no evidence of a significant, lasting change in Libyan behavior; Libyan efforts to destabilize U.S. regional friends have continued. Accordingly, the Administration has decided that further measures are appropriate at this time to underline our seriousness of purpose and reassure those threatened by Libya. The specific measures we will take are:

- Prohibiting imports of Libyan crude oil, thus ending U.S. reliance on Libya to meet a part of our crude oil needs and cutting off our flow of dollars to Libya (this step would be taken under Section 232 of the Trade Expansion Act of 1962);
- Requiring validated licenses for all U.S. exports to Libya, except for food and other agricultural products, medicine, and medical supplies (this step could be taken for foreign policy reasons under Section 6 of the Export Administration Act);
- A general policy of denying licenses for export to Libya of items now on the commodity control list for national security purposes; under this policy, we would be prohibiting the sale to Libya of dual-use, high technology items; and
- A general policy of denying licenses for the export to Libya of U.S.-origin oil and gas technology and equipment that is not readily available from sources outside the United States.

In implementing these new export controls, we will seek to minimize to the extent feasible their extraterritorial impact on third countries and their effect on preexisting contracts.

We believe that these measures will focus attention on the fact that Libya is able to threaten its neighbors and international order because of the revenues it derives from its oil trade. We will no longer be providing the dollars or technology to Libya which can be used for activities that threaten international stability. We recognize that these measures may have only limited economic impact on Libya but feel that they are necessary to complement other measures for dealing with this problem, such as support to regional states and efforts to reduce the underlying instability which Libya exploits.

¹Made available to news correspondents by Department spokesman Dean Fischer.

²For text of Proclamation 4907 of Mar. 10, 1982, see Weekly Compilation of Presidential Documents of Mar. 15. ■

nuclear power is a major part of the energy programs of Brazil and Argentina, while Mexico is planning a major expansion of its ongoing nuclear program.

It is essential that the American nuclear industry play a role in this global nuclear energy future, just as it contributed to the initial development and worldwide deployment of nuclear power. There are those who argue that this is necessary because of the economic and technical benefits of maintaining a healthy U.S. nuclear industry. Contributions to a healthy balance of payments, more jobs, and tax revenues obviously are at stake. But I submit that the strong nonproliferation and security benefits flowing from such a role may be more important.

Because of our position as a leading supplier of nuclear goods, services, and technologies, we have been able to take the lead in global nonproliferation efforts. We were instrumental in creating the International Atomic Energy Agency (IAEA) in 1958, in launching the international safeguards system, and in fostering needed agreement on and continuing adherence to the London nuclear suppliers guidelines. Our role as a major supplier also is vital to our current efforts to shape deliberations on assurances of supply and international plutonium storage, now being conducted under auspices of the International Atomic Energy Agency.

A Cooperative Approach

As we look over the decade ahead, the introduction of nuclear power to new countries and regions makes even more essential our direct involvement and participation. For if the United States fails to maintain its position as a leading nuclear exporter, other views on nonproliferation and safeguards will carry increasing weight in shaping global norms and practices; it is by no means certain that these views necessarily would be as strong and consistent as our own.

Thus, we are seeking to remove impediments to the nuclear industry's ability to compete on a fair and equal basis with the nuclear industries of other supplier countries. We also stand ready as a government to facilitate cooperation with other friendly countries, contributing our technology, materials, and know-how in programs appropriate to these countries' evolving energy capabilities and requirements. But let me add, however, lest I be misunderstood, that this Administration has no

intention of shading its commitment to nuclear nonproliferation in pursuit of commercial gain.

Over the past year, various changes of approach have been evident in our nonproliferation policy. Previously, we relied to a major extent on a policy of technology denial. This was based on the near theological notion that use of nuclear power abroad was the driving cause of proliferation. But denial has not worked. Indeed, as Gerard Smith and George Rathjens wrote in *Foreign Affairs* last spring, the "... policy initiatives of recent years and the NNPA [Nuclear Non-Proliferation Act], have had little relevance to real proliferation problems." To deal with those problems, what we need now is not abstract debate about nuclear power but what I like to call nuclear common sense.

Common sense simply means seeing the world as it is, not as we might wish it to be. And if we look at the problem in this way, it seems clear that the United States should base its future nuclear nonproliferation policy on the fact that we no longer possess the dominant influence in the nuclear field—scientific or commercial—that we once enjoyed. As mastery of the technology has become more widespread, our ability to convince others to follow our lead, let alone to dictate their nuclear energy choices, has diminished.

We must turn away from the "unilateral" approach, therefore, which characterized our recent dealings with our nuclear partners and emphasize instead a "cooperative" approach—an approach in which we work together to reach agreement as to how our nuclear relations will be conducted. Continuation of "unilateralism" certainly would not help to achieve our nonproliferation goals. And it could sour our broader relations in areas beyond the nuclear sphere.

If we are to look at the world as it really is, we must be ready to treat different things differently, to make legitimate distinctions. In the past, there has been a tendency to lump all countries together—to treat all alike in an unrealistic, perhaps even patronizing manner. This led to rancorous and counterproductive disputes with the EURATOM countries and Japan. But both EURATOM and Japan have excellent, indeed unchallenged, nonproliferation credentials.

They recognize the need for restraint in exports of sensitive items; they have been supportive of efforts to develop international safeguards; they cooperate on other nonproliferation ini-

tiatives; and neither Japan nor the non nuclear-weapons states in EURATOM intend to develop nuclear weapons. These are realities which will be reflected fully in our thinking about how to exercise U.S. consent rights in a manner consistent with the long-term nuclear planning needs of these countries.

Common sense also suggests that the level to which a country's nuclear power program has developed may be an important ingredient in defining the nature of our nuclear relations with it. President Reagan has said the United States will not inhibit civil reprocessing and breeder programs in countries with advanced nuclear programs where such activities will not comprise a proliferation risk. Yet, it is desirable to avoid premature commitment to reprocessing or breeder activity in countries with less sophisticated nuclear programs. We cannot and will not dictate the nuclear energy programs of other countries, but nor should we nor will we encourage advanced fuel cycle activities before they are warranted as a coherent part of an advanced nuclear program.

No one would deny that plutonium is a dangerous substance and that it must be carefully controlled. But wishing it away simply belies the facts. To deal with the world as it is, we must first acknowledge that plutonium is and will continue to be used as a nuclear fuel, even if the extent of that use remains uncertain. In EURATOM and Japan, plutonium fuel is believed by many to be more economical and needed sooner than may be the case in the United States. Breeder development, for example, is well advanced in France and continues to move forward in Japan. The United Kingdom continues its research and in Germany the decision of German utilities to defray 20% of the cost of completing the Kalkar demonstration breeder signals their desire to keep this option open.

Rather than engaging EURATOM and Japan in theological discussions about the desirability of a so-called plutonium economy, we need to think seriously together with them about how to steer in the safest direction the manner in which reprocessing is undertaken and plutonium used. We need to design rigorous safeguards for such advanced nuclear activities, to try to restrict the actual reprocessing and other fuel cycle facilities to as few sites as possible to insure adequate physical security, and to be prepared to deal with problems of transportation of material and waste disposal. Cooperation in each of these

Nuclear Cooperation With EURATOM

**LETTER TO THE CONGRESS,
MAR. 9, 1982¹**

The United States has been engaged in nuclear cooperation with the European Community for many years. This cooperation was initiated under agreements concluded over two decades ago between the United States and the European Atomic Energy Community (EURATOM) and extends until December 31, 1995. Since the inception of this cooperation, the Community has adhered to all its obligations.

The Nuclear Non-Proliferation Act of 1978 amended the Atomic Energy Act to establish nuclear export criteria, including a requirement that the United States have a right to consent to the reprocessing of fuel exported from the United States. Our present agreements for cooperation with EURATOM do not contain such a right. To avoid disrupting cooperation with EURATOM, a proviso was included in the law to enable continued cooperation until March 10, 1980, and provide for negotiations concerning our cooperation agreements.

The law also provides that nuclear cooperation with EURATOM can be extended on an annual basis after March 10, 1980, upon determination by the President, and after notification to the Congress, that failure to cooperate would seriously prejudice the achievement of United States non-proliferation objectives or otherwise jeopardize the common defense and security. President Carter made such a determination two years ago and signed Executive Order No. 12193, permitting continued nuclear cooperation with EURATOM until March 10, 1981. I made such a determination last year and signed Executive Order No. 12295, permitting continued nuclear cooperation through March 10, 1982.

The United States has engaged in several rounds of talks with EURATOM regarding the renegotiation of the United States-

EURATOM agreements for cooperation, and progress has been made toward clarifying the issues relating to these agreements. EURATOM has agreed to enter the next phase of the discussions, and talks continued this January.

I believe that it is essential that cooperation between the United States and the Community continue and likewise that we work closely with our Allies to counter the threat of nuclear explosives proliferation.

Nuclear proliferation is the most essential issue of modern times. With Soviet cooperation, we could substantially reduce the grim threat of nuclear war that hangs over Europe. We could lift the great weight that the people of Europe currently feel pressing down upon them. I have urged the Soviet Union to join with us in serious and determined negotiations to ease the nuclear burden. I remain hopeful the Soviets will respond positively to our proposals for lessening the prospect of nuclear conflict.

I have determined that failure to continue peaceful nuclear cooperation with EURATOM would be seriously prejudicial to the achievement of United States non-proliferation objectives and would otherwise jeopardize the common defense and security of the United States. I intend to sign an Executive Order to extend the waiver of the application of the relevant export criterion of the Nuclear Non-Proliferation Act for an additional 12 months from March 10, 1982.

Sincerely,

RONALD REAGAN

¹Identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and George Bush, President of the Senate (text from Weekly Compilation of Presidential Documents of Mar. 15, 1982, which also contains Executive Order 12351 of Mar. 9). ■

Steps to alleviate military and political insecurity are important and perhaps vital in our effort to lessen the motivation to "go nuclear." And we are taking such steps. The presence of strong and credible U.S. alliances has been critical throughout the postwar period to realizing our nonproliferation objectives, and they will remain so. Equally important are diplomatic initiatives to lessen regional instability and tensions, again using the time made available by technical steps to deal with the more fundamental political roots of proliferation.

Ways must also be found to reduce mutual suspicions on the part of neighboring countries about the longer term intentions of their potential rivals. Implementation of the treaty of Tlatelolco in Latin America would contribute to that goal. With that fact in mind, the Administration successfully urged Senate approval of Protocol I of the treaty of Tlatelolco. We would welcome a similar decision by France to ratify Protocol I. We also hope that those countries in Latin America that have not yet done so would see fit to adhere in their own interest and that of their

reas will be critical, but such cooperation will not be fostered by talk of suspending nuclear exports to our friends and allies.

Causes Versus Symptoms

We are to be guided by common sense, we must focus also on the underlying "causes" of a problem, rather than its surface "symptoms." Too often in the recent past, we have focused on the symptomatic aspects of proliferation, rather than its causes. We tried to rely on a policy of denying technological help, in the mistaken belief that such denial would assure that nuclear explosives could not be developed. Instead, we should concentrate on determining why the leaders of a nation might be motivated to move toward nuclear explosives development. It is clear that understanding those motivations, rather than focusing on technological capabilities alone, is the key to successful long-term nonproliferation efforts.

There are, for example, a number of highly developed industrial nations which could quickly produce nuclear explosive devices, if they thought that their national security interests demanded it. The fact that they have not done so has little or nothing to do with their technological capabilities. Rather, it reflects the structure and content of their security relationships and the general political climate in which they find themselves.

This is not to say that there are no situations in which a strategy of technology denial is indicated or would be successful. There are such situations. Measures to delay the development of the technical capability to acquire nuclear weapons are a necessary part of U.S. nonproliferation policy. As President Reagan stated, the United States will seek to inhibit the spread of sensitive technology, facilities, and material, particularly where the danger of proliferation demands.

Nonetheless, I repeat, we cannot place our full reliance on a strategy of denial with any assurance of long-term success. Such a policy can buy time and, perhaps, in some cases substantial time. But we must use such time wisely. In particular, we must use that time for new initiatives by the United States and other countries to reduce those underlying motivations that may lead some countries to seek a nuclear explosive capability.

neighbors. We have steadfastly urged countries, not yet parties, to join the Nonproliferation Treaty and are gratified at Egypt's recent accession. Adherence to the treaty can be a major step in reducing mutual suspicion.

The Safeguards Dimension

Acceptance of safeguards on all of its nuclear activities is another way a nation can give concrete expression to its nuclear good intentions. In the words of Director General Blix: "IAEA safeguards are measures through which the states, in the exercise of their sovereign will, rely upon an international organization to confirm through inspection that their actions conform to their stated intention not to acquire nuclear weapons." This requires, Dr. Blix continued, that "the verification procedures should not be cosmetic but convincing."

In assessing the effectiveness of these safeguards, however, common sense dictates that we be wary of the trap of letting "the best" become the enemy of the "good." The ongoing debates about the effectiveness of IAEA safeguards may well be the most dramatic current example of this syndrome. We must, of course, squarely face the problems confronting the International Atomic Energy Agency. Despite continued improvements in the past several years, the capabilities of the IAEA still fall short of what would be desirable in the "best of all possible worlds."

Greater numbers of better trained inspectors and wider use of more advanced safeguards equipment still are needed. Further improvements in the agency's internal management also will yield greater effectiveness. And the agency needs to find ways to streamline its internal lines of communication as well as to communicate better with the world at large. We are thinking about measures which may be helpful, and those of you in the nuclear industry also can and should contribute ideas. But in our efforts to improve, we must avoid exaggerating the agency's weaknesses.

There must be a much clearer understanding of what the agency's safeguards job entails. The agency's objective is to detect and thus deter diversion, not to prevent it. The agency is not a nuclear policeman. And even though there is room for improvement, the agency's overall performance in meeting that objective has been good and is getting better.

Further, as we seek to make the IAEA an ever more effective institution, we must never forget that its credibility in the eyes of the nations of the world is the essential ingredient for its success. Repeated rehashing of old or alleged failings, without fair recognition of the vigorous efforts being made to overcome them, can unfairly, yet surely, damage that credibility.

As we think of how to improve the vital safeguards role of the agency, we must never overlook its special character. Many member states have delegated considerable sovereign authority to the IAEA in a way which makes it unique amongst U.N. agencies. I suggest that alternative arrangements, if they could be forged at all, could be far less adequate.

I am happy to be able to report that the Board of Governors, at its most recent meeting, focused well on the business before it without excessive rhetoric addressing political issues beyond its charter. We hope that this is a harbinger of the future, reversing an unfortunate tendency toward the introduction of extraneous political issues into the deliberation of what is essentially a technical body. For our part we have made clear that we believe that such political debate has no place in the agency's deliberations. We are cautiously optimistic that consensus is building for that premise.

We believe that many other countries will work with us to insure that the IAEA remains a strong institution. And we have indicated our willingness to cooperate in insuring that the agency serves the legitimate needs of all of its member states. That position rests upon our own self-interest and common sense. Without an effective International Atomic Energy Agency, the international nonproliferation effort would be weakened and a fundamental if not irreplaceable basis for nuclear commerce would no longer exist.

The Essence of Nuclear Common Sense

Let me conclude by commenting on a strain of thinking which challenges the underlying concepts of our nonproliferation endeavor. Some outside of the government have proposed that we should begin thinking in terms of living with many nuclear powers, that extensive proliferation is "inevitable." Some even go so far as to argue that the spread of nuclear weapons would not be so bad; in the words of a recent paper

from the London International Institute of Strategic Studies, "more may be better." Let me just assert that this is not my view nor is it the view of the Administration. It simply does not meet the test of common sense.

It simply is not true that widespread proliferation is inevitable. There is much that can be done to prevent it. It is vitally important to recall that earlier predictions of a world of 25 or 30 nuclear weapons states by the 1970s have proved fallacious. And we all need be thankful for that. Moreover, the adherence of 119 countries to the Nonproliferation Treaty, is a major accomplishment far beyond most predictions.

I also reject the contention that more proliferation may be better. Proliferation can only increase global instability and adversely affect the interests and well-being of many countries. It would threaten the breakdown of the nuclear peace that has characterized the last decades—a breakdown which could result from an accident, miscalculation, or intentional choice.

Next December will mark the 40th anniversary of the first nuclear chain reaction under the stands of Stagg Field at the University of Chicago. Since then we have been confronted with both the promise and the threat of the atom. The Administration is committed to efforts to realize that promise and to control that threat. But to achieve that goal a restored spirit of cooperation within the government, between industry and government, and among the many concerned groups is needed. Not least, we need a greater measure of nuclear common sense. ■

J.S. Response to the Worldwide Refugee Crisis

Following are statements by Ambassadors H. Eugene Douglas, U.S. Coordinator for Refugee Affairs, and Richard D. Vine, Director of the Bureau for Refugee Programs, before the House Foreign Affairs Committee on March 16, 1982.¹

AMBASSADOR DOUGLAS

I am pleased to provide an update on the world refugee situation and the U.S. international and domestic response to that problem.

Administration Goals

Before providing an overview of some of the major refugee problems, I would like to briefly outline the goals of the Reagan Administration's refugee policy.

Our first goal is to preserve America's tradition as a country of opportunity for refugees and immigrants. As a country, we are the most successful multiethnic, pluralistic society in the world. We have always maintained a haven for those who are persecuted and who seek economic betterment. It is important to maintain this tradition.

In recent years, however, the United States has accepted an extraordinary number of refugees and immigrants during a time of economic downturn. This has put a severe strain on our domestic resources and on our social and political institutions. Our challenge today is to temper our refugee policy with this realism and recognize that there are limits to the numbers of refugees we can accept. We must find a new balance that will continue to be generous in allowing immigrants and refugees into this country but will pair that, more successfully, with available domestic resources.

My principal objective as the U.S. Coordinator for Refugees will be to address the need for this new domestic-international balance in refugee policy. I intend to work closely with the Congress, governors, mayors, State and local officials, and the private sector to accomplish this goal. I want to find out, firsthand, how the resettlement of refugees in the past 5 years has affected local communities. I intend to travel to those states most heavily impacted. In addition, I intend to:

- Seek ways to integrate refugees into our society without nurturing excessive welfare dependency; and
- Continue strong support for multinationalization of the refugee resettlement effort so the United States does not carry a disproportionate share of the burdens.

We must work together to develop and establish policies that will allow us both to maintain our national welcome to refugees and immigrants and to insure that our society and our social institutions can adequately sustain this effort.

Foreign Policy Concerns

Our first concern is that forced migration will be with us for a long time to come. This migration is the product of outside invasion, civil wars, repression, and corrupt regimes. Though repression and persecution may surface on the right as well as the left, it is indisputable

We [the U.S.] have always maintained a haven for those who are persecuted and who seek economic betterment. It is important to maintain this tradition.

that the major refugee problems in the world today are caused by Marxist-Leninist regimes. Let us call the role.

Afghanistan. 2.5 million refugees have been forced from their country by a Soviet invasion designed to install a Marxist-Leninist government.

Indochina. In Indochina, there are 1.3 million refugees, somewhat less than half of whom have been or are being resettled in this country. Most are victims of the government in Hanoi, financed by the Soviet Union, which seeks at once to conquer its smaller neighbors in

Laos and Kampuchea and to impose a Marxist-Leninist rule at home. Some are the victims of the worst genocide since the Holocaust—the genocide of Pol Pot who sought to impose a Marxist-Leninist government in Kampuchea.

Ethiopia. More than 1 million refugees have been driven from their homes in Ethiopia by a government, again, bent on imposing a Marxist-Leninist regime.

Soviet Union. The number of Jews released by the Soviet authorities for resettlement in the United States has fallen from about 25,000 in 1979 to a projected 6,000 this year. This has happened because the Soviet Union has cynically tried to barter the release of Soviet Jews for trade or other concessions by the West.

Poland. A trickle of refugees which could become a flood—refugees who, when the Communist authorities in Poland utterly failed to meet the basic human needs of the Polish people, dared to suggest an alternative, growing out of a genuinely free trade union which was crushed by the military apparatus of the Polish and Soviet Communist Parties, in the name of preserving Marxist-Leninist rule.

Cuba. About a million refugees—most of the middle class of the country in the early 1960s and, in 1980, the first exodus of Cuba's 1960s baby boom—have fled the country, again, because the Marxist-Leninist regime, a total financial dependent of the Soviet Union, has failed to grow either economically or politically.

Central America. Today we are witnessing turmoil caused by foreign-induced subversion that could precipitate a whole new tide of refugees into this country, if there should be Marxist-Leninist governments installed there. This could be a much more difficult refugee problem to manage than in the past because of the geographic location of the countries involved and the fact that our southwest border provides easy entry into the United States.

The persistence of these situations carries several important implications for our foreign policy.

First, recognizing that refugees are a destabilizing element, particularly for hard-pressed countries of first asylum, it is incumbent on the United States and the other democracies to bear down on countries creating mass exoduses. The achievement of a more stable interna-

tional environment is a condition of our own security and that of our allies.

As Ambassador Vine has pointed out in today's prepared statement, the response of the Government of Pakistan to the influx of Afghan refugees, together with the assistance of the United States and the international community, has warded off—for now—a situation potentially dangerous to a country of great strategic significance to us.

We have no illusions about the risks and difficulties of persuading other countries to cease the forcible ejection of their citizenry, but we feel deeply that the need to face the issue is there. This is especially true of cases such as the Mariel episode, of which it could be said that an act of aggression was carried out against the United States, using not the weapons of war but human beings.

By the same token, we are sensitive to the irony of programs designed to limit or control the departure of refugees, because although they do save lives—a value to which we are deeply attached as a society—they have the character of restricting another value to which we are dedicated, namely, freedom of movement. This example is merely one illustration of the difficult choices so frequently called for in the

... Recognizing that refugees are a destabilizing element ... it is incumbent on the United States and the other democracies to bear down on countries creating mass exoduses.

design of refugee policies: the need to rank priorities and the inability to simultaneously serve all our values equally.

Second, there is concern about the long-term outlook for the international organization network—chief among them the U.N. High Commissioner for Refugees (UNHCR), the Intergovernmental Committee for Migration (ICM), UNRWA [U.N. Relief and Works Agen-

cy for Palestine Refugees in the Near East], the World Food Program, and the International Committee of the Red Cross (ICRC). These organizations have, for many years, coped with the problems of providing protection and assistance to refugees worldwide. We recognize also, and support, the nongovernmental organizations which have furnished much of the manpower and material essential to the initial emergency assistance required by refugees and their countries of first asylum. We believe, however, that the quality and speed of assistance, particularly to countries of first asylum, can be improved through the introduction of better management techniques. And, we further believe that through more effective persuasion, incentives, and pressure, where appropriate, the number of countries accepting refugees for resettlement should be broadened.

Third, we are convinced, as is the High Commissioner, that the ideal resolution to refugee problems is voluntary repatriation. Even where this is not possible, it is vital that assistance to countries of first asylum and to third countries be rapid and effective.

Finally, the nurturing of a stable middle class is essential to the ultimate stabilization of the international system. This conviction has already taken concrete form in the President's Caribbean Basin initiative, which is the first of a series of steps to be implemented in cooperation with other American states to reduce the sources of tension and frustration which may—and historically have—produced largescale migration.

Domestic Implications of U.S. Policy

Regardless of how successful our efforts at internationalization may be or whether we may prevent or stem some refugee flows, the United States will still need to offer itself as a country of significant resettlement for the foreseeable future.

We must recognize, first, that by the very act of admitting refugees to this country, we assume a certain level of responsibility for their successful integration into a new culture and a new society. At the same time, it is vital that minorities and the truly needy of our country not perceive refugees as a privileged class of immigrant. In other words, it is essential to balance the special needs of refugees and our own citizenry.

We believe, however, that the availability of programs and services should not become perceived as an entitlement regardless of need, and thereby contribute unnecessarily to higher dependency rates. I am convinced that regardless of the progress which has been made in the last few years, our domestic resettlement operation is deserving of a hard analytical look. The problems we must address are the high dependency rates of certain refugee groups, placement issues, community tensions, and questions of equity, to mention a few. The solutions will be neither quick nor easy in this time of economic downturn.

Conclusion

It is my intention to continue our government's partnership with the voluntary agencies. Historically, we have relied, to a high degree, on the private sector in domestic resettlement. I wish to assist them in strengthening their operations to enable them to do the best possible job.

As our various refugee communities grow in strength and number, I will heed the lessons of the past that immigrants traditionally help themselves. It is well to remember that throughout our history, but particularly in the early decades of this century when we experienced our largest migrations, national and ethnic associations developed which eased the economic and psychological burdens associated with entry into a new society. New groups, such as the Indochinese mutual assistance associations, wish to assume the same kind of role for their compatriots. They should be encouraged and helped to do so.

One of my first priorities will be an immediate look at how the Federal Government can help to strengthen, and to some extent reinvigorate, our private resources. I will also be looking at the quantity, quality, and conception of publicly funded support services needed to enable refugees to reach early self-sufficiency and at how our American welfare system can play the most positive role in giving temporary financial support to refugees seeking that self-reliance.

AMBASSADOR VINE

In his opening statement, Ambassador-at-Large Douglas provided an overview of the worldwide refugee situation and

the U.S. international and domestic response. On behalf of the Department of State, I would like to update you on the specifics of the refugee situations and explain the linkages between the Department's refugee assistance efforts and the foreign policy goals and objectives of this Administration.

In today's world there are six major refugee problems which demonstrate the foreign policy aspects of U.S. refugee policy. These problems include refugees from Southeast Asia, Pakistan, the Palestine, Africa, Poland, and the Soviet Union, as well as the complex situation in Central America. These refugee problems reflect the operational consequences of the overall refugee policy described in the statement by the refugee coordinator.

Southeast Asia

At the present time, probably the single most complex refugee problem continues to be in Southeast Asia. Historic ethnic animosities among many of the peoples of that region yield a situation in which the preferred means of dealing with a refugee problem—voluntary repatriation or resettlement in place—are not feasible solutions for a significant part of the refugee population. Resettlement to third countries, such as Australia, Canada, France, and the United States, thus, continues to be necessary for many fleeing oppression and persecution in Vietnam, Laos, and Kampuchea.

While the nature of the problem remains the same, its scale is diminished. Arrival rates in first asylum countries have declined, and even though fewer refugees are being resettled now than in the past, camp populations continue to fall. The Administration has steadily reduced the rate of U.S. refugee resettlement from that region from a monthly average of 14,000 persons in 1980 to a projected level of only 6,000 persons per month in FY 1983. We are still prepared to do our fair share, however, to solve the problems of persons who are forced to flee in the face of Vietnamese aggression and the systematic denial of human rights by the Communist regimes in the region.

I have just returned from Southeast Asia. As always, the chief objective of our refugee policy there is to preserve first asylum, while working to lower the outflow of new refugees. To complement the Thai Government's policy of humane deterrence—the placing of newly arrived refugees from Vietnam and Laos

in austere camps where they are not permitted to apply for resettlement—we are developing a three-pronged approach.

First, to encourage the Socialist Republic of Vietnam to support and enlarge an orderly departure program which would permit Vietnamese citizens to emigrate legally, thus allowing families to be reunited without running the frightful dangers that many incur today;

Second, to limit, increasingly, the categories of refugees we are prepared to resettle in the United States to those who already have family ties here, who were closely identified with us in Indochina, or members of the former government who continue to be persecuted, while maintaining the potential capability to deal with unforeseen pressures which might fall on first asylum states; and

Third, to encourage a new voluntary repatriation.

Resettlement in the U.S.

One issue we must examine is possible resettlement in the United States of some Khmer refugees from the UNHCR holding centers in Thailand. This, moreover, has been of concern to some members of this committee. While the State Department hopes that Khmer self-determination will be restored and the internal situation in Kampuchea will eventually stabilize so that voluntary repatriation will be possible for the Khmer, we also recognize that internal stability is not likely in the near future. Therefore, we continue to monitor, in conjunction with other governments and the UNHCR, the situation affecting the Khmer in Thailand to determine if third country resettlement is necessary for some of the Khmer. We will be watching this situation closely in the days ahead. We expect to discuss this matter more fully at the upcoming midyear congressional consultations undertaken in accordance with the Refugee Act of 1980.

Concurrent with our refugee resettlement efforts from Southeast Asia, we must also insure the provision through appropriate multilateral channels of essential care and maintenance assistance to refugees in a first asylum situation, as well as to those Khmer who have sought sanctuary along the Thai-Kampuchea border. This assistance is provided while humane strategies aimed at resolving the problems which caused the flow of the refugees are pursued.

In all of our refugee assistance and resettlement initiatives in Southeast Asia, we recognize both our humanitarian concern for these people, as well as the intrinsic foreign policy importance of this program. In addition to insuring asylum for fleeing Indochinese who might otherwise lose their lives, our refugee assistance efforts in Southeast

In terms of refugee populations, the Afghan refugee program in Pakistan is the largest in the world.

Asia are an integral part of our broader strategy to help our friends and allies throughout the world deal with the consequences of Communist aggression. We clearly recognize that if we do not continue our major role there, the governments of the areas could close their borders to new arrivals, with consequent tragic human suffering and loss of life. Needless to say, we would also lose the attention and respect of our ASEAN [Association of South East Asian Nations] partners if we can no longer help them to deal with the human consequences of Vietnamese aggression. Neither outcome is consistent with our foreign policy goals and objectives in Southeast Asia.

Afghan Refugees in Pakistan

In terms of refugee populations, the Afghan refugee program in Pakistan is the largest in the world. More importantly, this program, occurring as it does in a nation of great strategic importance to the United States, presents the inevitable linkages between refugee assistance and broad U.S. foreign policy initiatives. The 2–2.5 million Afghan refugees currently receiving asylum in Pakistan have fled as a result of the Soviet Union's attempt to install a puppet, Communist regime and to maintain that regime in power by providing a combat force of approximately 100,000 Soviet troops. Soviet and Afghan Army use of chemical weapons has also been, in part, responsible for the heavy flow of Afghan refugees seeking safety in Pakistan.

The Soviet Union's attempt to impose this regime marks a fundamental change in Soviet policy in the post-Second World War period. Not only must the United States forcefully oppose efforts by the Soviets to subjugate Afghanistan, but we also must be certain that the victims of that effort receive appropriate assistance from the international community. The more than 2 million Afghans in Pakistan are heavily dependent upon the international community for basic relief and health needs.

The forthcoming attitude of the Government of Pakistan in dealing with this complex and potentially destabilizing problem is one of the finest examples of a nation recognizing its responsibility for persons forced to flee from a neighboring state. The Pakistani Government has borne a large portion of the cost of the international relief effort and has not conditioned its provision of asylum on guarantees that the refugee population would be resettled to third countries. Pakistan, instead, has granted these refugees asylum and continues to support major efforts to provide for their sustenance while political efforts aimed at a resolution of the problems in Afghanistan continue.

The refugee relief program in Pakistan also provides a concrete example of the types of U.S. response to a refugee problem that I believe we all find to be the most acceptable. The United States has responded to this problem with major financial contributions to an international relief effort. Since the beginning of the relief program in Pakistan in January 1980, the United States has provided more than \$200 million in relief assistance. Of this total \$121.6 million has been in PL 480 commodities and the balance has been in contributions to relief operations organized by international organizations or the Pakistani Government.

We and most other members of the international community, including the Pakistani Government, hold that the only appropriate and acceptable solution to this problem must provide for the safe and honorable return of Afghan refugees to their homes. This is clearly a view which the proud and courageous refugees themselves embrace. Under these circumstances, our very limited resettlement program is addressed only to those with very close family or other ties to the United States.

Palestinians

The second major refugee problem in the Near East concerns the Palestinians. There are now about 2 million Palestinians eligible for services provided by the UNRWA. While none of us can be happy that the problems of the Palestinians are still unsolved over 30 years after they first began, we must all recognize that UNRWA makes a positive contribution to stability in this politically and economically vital region. Unfortunately, while many nations of the world vote in the U.N. General Assembly to continue the mandate of UNRWA, these same nations are unwilling to recognize their consequent responsibility to help finance UNRWA. This means that UNRWA continues to lead a hand-to-mouth existence while the United States and other donors, working with the leadership of UNRWA, attempts to convince other nations, and particularly those in the region with significant financial resources, to help join in putting UNRWA on a sound financial basis. This is a slow process. Until it does succeed, this nation, because of its direct interest in maintaining peace and stability in the Mideast, must continue to be a major contributor to UNRWA. Should UNRWA fail, the effects for U.S. foreign and economic policy would be severe.

As a measure of the significance that this Administration attaches to UNRWA, we are contributing \$67 million in 1982, or about one-third of its total budget. This contribution reflects both our humanitarian concern for Palestinian refugees and our assessment that UNRWA's program is an important force for stability in the Middle East.

Africa

In Africa, on the other hand, the emergency aspects of the refugee situation are under control. The reasons for this are several.

- Most African states continue to meet their responsibilities as nations of asylum. African refugees are provided protection by their hosts and often are provided the opportunity to resettle permanently. At the present time, over 20 African nations are granting asylum to more than 2 million refugees.
- The international community has responded positively to the needs of African refugees. Last April, a conference sponsored by the United Nations and the Organization of African Unity (OAU) raised \$574 million for the im-

mediate relief needs of African refugees in the 1981-82 period. Most of these pledges are in support of the ongoing programs of the UNHCR and the World Food Program. The United States pledged \$285 million at the conference.

- Negotiated settlements to root political causes for the flow of refugees have ameliorated several African refugee situations. Most recently, the OAU has been able to mediate the civil war in Chad so that Libyan forces have withdrawn and tens of thousands of refugees were able to repatriate voluntarily to their nation of origin.

The willingness of neighboring African states to provide asylum to refugees until a political solution to the problem which caused the flow of refugees is instructive to the entire world community. In both Zimbabwe and Chad, peace and the resolution of the associated refugee problems was the result of the interest taken in the problem by both the nations of Africa and major Western powers. It must also be noted that the refugee problems in Africa have been solved without resorting to large programs of third-country resettlement. The rate of refugee resettlement to this country from Africa small and, as long as the current trends concerning refugees in Africa continue, it is highly unlikely that there will need to be major programs for third-country resettlement.

Europe

Unfortunately, while major programs for refugee resettlement are not required from Africa, the same is not true as we examine the refugee situation in Europe. There are as many as 200,000 Poles residing in countries of asylum throughout Western Europe. Furthermore, recent statements by Polish authorities indicate that the martial law authorities are committed to embarking on a policy of allowing the elderly, the unemployed, Solidarity leaders, and others termed "dissidents" to apply for permission to leave Poland. This policy is totally at odds with Polish and international law and the Helinski accords. The only choices present to these groups seem to involve either emigration or continued persecution by the Warsaw authorities.

We are now consulting with our allies and other Western governments on how to respond to this callous policy should it force more Poles to leave their homeland. Meanwhile, we are continuing

active program for the resettlement of those Polish refugees who seek resettlement in the United States. So far in FY 1982, more than 2,000 Polish refugees have been approved for admission to this country.

One issue that cannot be overlooked is the dramatic decline in the rate of migration permitted by the Soviet authorities. Between 1979 and 1981 the number of Jewish refugees allowed to leave the Soviet Union declined from over 51,000 a year to less than 10,000 a year. If current trends continue, it is unlikely that more than 5,000 Jewish refugees will be allowed to leave the Soviet Union during 1982. In 1981, there were major declines in the emigration of other groups from the Soviet Union, such as Armenians, allowed to come to this country, and ethnic Germans allowed to settle in the F.R.G. I must emphasize that this Administration remains strongly committed to the freedom of emigration for persons from the Soviet Union. We are dismayed by recent reductions in the rate of Soviet migration and find Soviet behavior concerning this issue to be a callous disregard of the basic responsibilities of the Soviet Union as agreed to in the Helsinki accords.

Central America

One of the most critical areas for current U.S. refugee policymaking is Central America. Not only does this area present a variety of significant refugee and displaced persons problems but its geographic proximity to this country, as the members well know, raises the issue of the United States being a nation of first asylum.

Civil disturbances throughout Central America, as well as the widespread poverty of the region, combine to provide a powerful inducement for persons to leave their home countries and to travel to the economically and politically stable nations of the region, including the United States. Refugee problems in Central America also provide a clear example of the linkages between U.S. foreign and domestic policy. As Secretary Haig noted in his recent appearance before the National Governor's Conference, there is a clear imperative for the United States to deal with the problems of economic development and security in Central America if we want to avoid situations which would make the problems associated with the Mariel boatlift pale in comparison.

The two major refugee problems in Central America affect persons from El Salvador and Nicaragua. In the case of Salvadorans, the United States continues to be a major contributor to international and bilateral programs which assist refugee and displaced persons from that nation. Currently, we estimate that some 60,000-75,000 Salvadoran nationals have fled their homeland as a direct result of the hostilities—Honduras has received 20,000-25,000; Nicaragua 15,000-20,000; Costa Rica 12,000-15,000; Panama 1,000; Belize 3,000-5,000; with the balance in other area countries. This figure stands in contrast with the official UNHCR estimate of 300,000. We are troubled by the UNHCR figure since it includes all Salvadorans in other area countries, many of whom left before guerrilla activities began, and others who simply followed traditional migratory patterns unrelated to the problems in El Salvador.

The main provider of assistance to Salvadoran refugees in the area is the UNHCR, working through several operational partners. In calendar year 1982 the UNHCR has budgeted \$14.26 million for refugees in Central America. The United States will fund 25% of this program.

The most significant development affecting Salvadoran refugees is the ongoing effort to relocate those refugees in Honduras away from the Honduran-Salvadoran border to a safer inland site. Until this effort was undertaken, most of the refugees lived 1-3 kilometers inside of Honduras. Such proximity to the border was judged by the UNHCR and the Government of Honduras to be contrary to international standards. Normally, refugee populations are located well inside the nation of asylum to avoid border incidents and to insure the safety and neutrality of the refugees. The U.S. Government supports the relocation of the refugees. I understand that the UNHCR and the Honduran Government have agreed to establish four to six reception centers, manned by international and relief organization staff, along the border to meet and assist any new refugees who may enter Honduras.

Persons also continue to flee from Nicaragua. In recent weeks, thousands of Miskito Indians have fled to Honduras in search of freedom and safety. To date, some 8,000 Miskito refugees have arrived in the camp established in

Mocoron, and the total may well reach 12,000 in the near future. The root cause of this flight is a reaction by the Miskitos against the efforts of the Sandinista government to impose, through persecution and death, a foreign political ideology on the Indian population of Nicaragua. We are taking all necessary steps to insure that adequate assistance is provided to these refugees by the appropriate international organizations and can report to you that the UNHCR and its operational partner—World Relief—are providing assistance under very difficult circumstances to these refugees. This situation is being carefully monitored here in Washington and by our embassy in Honduras.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

International Communications and Information Objectives

Following are remarks by James L. Buckley, Under Secretary for Security Assistance, Science, and Technology, before the Congressional Leadership Group on International Communications of Georgetown University, Washington, D.C., on March 4, 1982. Also included is a summary of international aspects of communications and information policy.

UNDER SECRETARY BUCKLEY

We stand at the dawn of a new era of human history, the full implications of which we cannot yet begin to fathom. Yet under the compelling imperatives of exploding technologies in the communications and computer fields, we will have to work now to develop coherent national policies capable of embracing a growing diversity of increasingly complex enterprises.

In a very real sense, we are embarked upon a uniquely American task, and that is to identify certain fundamental philosophical principles as the underlying and unifying basis for addressing a myriad of yet-to-be-defined practical situations. We have here today representatives of a number of diverse constituencies, loosely gathered under an umbrella labeled "international communications and information." We are legislators, academics, news gatherers, bureaucrats, broadcasters, and transmitters of the electronic impulses by which those incredible machines talk to one another across international borders.

But as Americans, we share a common commitment to the tenets of the first amendment and to the principles of a free and competitive economy. The test that faces us, as we set out to chart policy directives, is how to apply these and other underlying values in addressing the broad objectives that were identified in the summary distributed to you before this meeting; to see how we can best persuade the international community to adopt them; and in doing so, to test our own interpretations of some of our most basic operating principles to determine their real utility in the larger global marketplace. How exportable, for example, is our notion that pornography represents a privileged form of speech?

The objectives described in the summary provide an excellent framework for the work that lies ahead of us in weighing a diversity of views and interests in order to develop sound policy in the variety of areas that fall within the field of international communications and information.

In order to provide some focus for these discussions and to underscore their practical importance, I would like to touch upon just a few of the problems that are currently being addressed in international fora.

In the U.N. Educational, Scientific and Cultural Organization (UNESCO), since the early 1970s, we have been fighting the good fight against the New World Information Order, stoutly defending such fundamental principles of a free press as the media's rights to uncensored news, of access to news sources, and to a work environment free of governmental interference.

Developing countries argue for what they call a better "balance" in internationally distributed news about their countries and their activities. We can and should make an effort to help these nations meet their own legitimate communication needs but never at the expense of free and unfettered reporting by nongovernmental agencies. What we can never concede is that a government—any government—has the right of monopoly on the management and reporting of the news.

In the U.N. Committee on Peaceful Uses of Outer Space, we have been engaged for several years in debating the principles that should govern direct international television broadcasting by satellites. After a great deal of talk, one fundamental issue remains unresolved, and that is whether the government of a receiving country has the right to approve the content of a broadcast before it is transmitted. In this forum, as in UNESCO, our support of the principle of the free flow of information is firmly opposed by the Soviet Union; while more often than not, our Western allies suggest compromise solutions in an effort to bridge contentious issues.

In the Organization for Economic Cooperation and Development (OECD), we began in the early 1970s to consider some of the international implications of

advances in computer technology. By 1976, we were reporting to Congress that transborder flows of data—that is to say, the electronic chatter by which computers talk to one another over international telephone lines—that this was an area of growing concern to all the OECD governments. We fought the impulse of our colleagues to impose governmental controls at the outset. We urged the adoption of voluntary guidelines to harmonize national legislation affecting personal privacy and transborder flows of data. At present, we are launching careful studies of the economic and legal problems resulting from the transmission of the nonpersonal data which is rapidly becoming the lifeblood of internationally active companies. The United States has also proposed that the OECD countries adopt a "data declaration" similar to the OECD trade declaration. This would be a commitment to avoid restrictive measures and to maintain an open system of data flows. In these and other ways, we are hoping to head off the premature imposition of controls.

While we undertake these studies in the OECD, we must inevitably come to grips with the few inevitable exceptions that must be made to the rule that we are urging others to adopt. These involve, for example, the special requirements for safeguarding military communications and a showing of a proper respect for the desire of various societies to protect their own distinct cultures and values against a torrent of what they regard as electronic pollution.

But beyond these special exceptions there lies a cluster of others which, under the banner of "national interest," argue for restrictions on the transborder flows of data that can only be described as classic restraints on trade. In essence these are efforts to protect developing industries or to shelter government monopolies. One answer to these challenges is to insist on reciprocity. But before we go too far down this road, we should certainly explore other ways of encouraging an unfettered commerce in electronic impulses; such measures, for example, as expanding the scope of General Agreement on Tariffs and Trade to cover trade in services and information as well as in more tangible goods.

Other related concerns, from the American perspective, involve proposals in some countries that telecommunication services be made subject to value-added taxation or burdensome tariffs. These proposals give rise to interesting conceptual problems. As soon all elec-

onically transmitted data will be in the form of bits, how will one distinguish, for tax and other purposes, between bits conveying news, or conveying public information, or proprietary data? Certainly, the attempt to sort them out would create rather significant disruptions. But in any event, as we see in this example, even the most mundane practical considerations would seem to support a resumption in favor of the unrestricted flow of information. Let's let the conveners look to more readily identifiable areas of economic activity.

To move on to another area, the agenda set for the International Telecommunication Union (ITU) over the next few years will force decisions having a major economic impact on the United States. It is, therefore, of total importance that the ITU remain an effective forum for the international management of the electromagnetic spectrum. All participants must maintain an attitude of full and fair cooperation in determining how best to share this limited resource, as well as that limited ring of space that can be used for fixed-position communication satellites. This means that we cannot allow this forum to degenerate, as have so many other U.N. fora, into an arena for unproductive political brawls.

This is just a sampling of the kinds of issues we need to face and resolve as we move into the new and unprecedented age of instant international communication.

SUMMARY

Electronic communications and information technologies have, in less than two decades, restructured many international relationships in broad areas of import to U.S. political, economic, and security interests. These technologies offer great opportunities for addressing a wide variety of domestic and international problems. They also create problems of their own. As the roles of these technologies become critical to all nations, questions concerning international communications and information are finding their way to the foreign policy center stage.

For the United States, communications and information technologies represent a leading edge of U.S. strength. Policy and practice in international communications and information activities must actively enhance the overall well-being of the United States, the lives of its people, and its system of govern-

ment. Because of their crucial role in U.S. technological strength and leadership, because they will affect almost every domestic and international aspect of our future life, and because they involve all sectors—private and governmental—policies concerning international communications and information activities must reflect a national consensus. However, aspects of these technologies and their uses are challenged in varying degrees by other nations, both friends and adversaries.

Advances in communications and information technologies and services cover many fields.

- Outer space is used for gathering and disseminating information globally, regionally, and nationally through weather, communications, marine and air navigation, and military and civil remote sensing satellites.
- Terrestrial and undersea communications using microwaves, fiber-optics, and other new technologies are providing vastly greater domestic and international voice, data, and visual contacts.
- Advances in imaging, television, and transmission processes and tech-

For the United States, communications and information technologies represent a leading edge of U.S. strength.

niques add new dimensions to communications and information flows linking virtually the entire world.

- Computers coupled with communications technologies, digital communications techniques, and new forms of network integration permit vast quantities of information to flow instantaneously and globally. International information flows facilitated by these advances have become essential to the functioning of the global economic system.
- Communications and information technologies, products, and services are forging ahead of traditional activities in economic importance. They will account for an increasing share of the world's jobs.
- Governments are increasingly dependent on communications and infor-

mation flows for deterrence and defense as well as the conduct of international affairs. And, of great significance, people have more information about governments.

These advances bring opportunities for improved international relationships.

- Rapid and efficient acquisition, storage, and dissemination of information from diverse sources are available to the global community.
- More efficient multinational economic transactions, improved international transportation and navigation systems, and quantities of new products for trade exist.
- Global information imbalances are being reduced; economic, educational, medical, scientific, and innumerable other areas of information reach and are exchanged by many more people.
- Crucial parts of the defense umbrella of the United States and its allies are enhanced by the new technologies. At the same time, new routes to maintaining peace are available.

Although these advances bring promise, they also raise new fears.

- Governments are reacting to challenges to traditional concepts of state sovereignty—they are asking, for example, whether vast quantities of information in foreign hands may endanger security interests and harm their economic interests.
- Governments that control news (into or out of a country) and other information feel threatened.
- Protection of personal privacy rights has assumed greater political import and has already led to new laws in some nations.
- Proprietary rights and patent and trademark rights require renewed attention as traditional definitions have become blurred by the merging of previously separate technologies and the emergence of new types of systems.
- Maintaining social values and national cultural identities is receiving increased prominence in a number of countries.

For the United States, communications and information technologies are crucial. The United States has been the principal source and user of many of the new technologies and associated services. It has been the economic base for the ongoing communications and information revolution and through various means has made available technologies and services around the globe. At the

same time, the United States has been the focal point for maintaining international peace and security and has exerted major communications and information efforts in this effort.

There are indications, however, that this central position for the United States is now shifting. Other industrialized nations are advancing in communications and information technologies; some are rapidly assuming a major role and gaining large shares of world markets. Newly industrialized countries wish to gain a foothold in an area which represents the wave of the future.

U.S. views on international communications and information policies are not shared by everyone. Substantial and deep-seated differences exist not only between the East and West but also between the North and South. Significant differences among our closely allied industrialized trading partners are emerging.

Within the United States, these international issues have a deep domestic resonance. In crucial respects the U.S. Government, in contrast with the governments of most other countries, does not determine domestic goals or strategies. Moreover, viable U.S. foreign policy approaches must reflect the broad range of domestic interests. However, a clear and consistent approach to this country's overall views on international aspects as perceived by other nations can come only from the government. This nation's foreign policy can serve as a catalyst for the common interests of the private sector and provide an informed basis for consultations with other countries.

Broad U.S. objectives respecting the international communications and information issues reflect a diversity of interacting domestic and overseas interests. The world where these objectives must be pursued is characterized by widely divergent philosophies, cultures, capabilities, and political and economic systems. Moreover, technologies continue to evolve. We are, therefore, involved in a process that can be expected to continue for many years to come.

The seven basic objectives below, reflecting clusters of interests, are identified as goals toward which U.S. Government actions could be directed. They are interrelated. Their order does not indicate relative priority.

To enlarge acceptance of the principle of free international flow of information and ideas, including applicability of this principle to newly emerging communications and information technologies.

From the U.S. standpoint, the free flow principle embodies the objectives of the first amendment to the Constitution. Ongoing changes in communications and information technologies have great potential for fostering the growth of more open societies worldwide. Through greater openness, mutual understanding among nations can be improved and economic growth of all nations benefited. More effective management of resources, more beneficial trade policies, more effective responses to global problems, and better maintenance of international peace and security are achievable through such openness. Therefore, although this principle is of special historical and philosophical significance to the United States, it is relevant to the interests of all nations.

To expand the economic benefits of communications and information technologies by broadening opportunities for competition and investment.

Communications and information technologies, services, and products are now supplanting in actual economic importance many more traditional goods and comprise an increasingly significant element of the U.S. economic strength. The United States must seek—and should expect—opportunities for its industries to compete fairly. The United States cannot ignore the growing evidence of protectionist practices in various forms in many countries, a trend which, if not checked, could limit the potential values of the new technologies to all countries.

To insure the flexibility and continuity of communications and information required to maintain national defense and international peace and security.

Effective communications and information resources are of fundamental importance to strong U.S. military capabilities, for deterrence and defense, arms control and peacekeeping efforts, and contribute greatly to international peace and security. Equally important roles are played in maintaining security by linking friends and allies and by service as routes for resolution of frictions and conflicts, particularly during periods of dispute and crisis with adversaries.

To insure equitable access for users of the radio frequency spectrum and orbital positions.

Modern telecommunications technologies play a central role in all countries. Access to the various bands of the radio frequency spectrum and to orbital slots is vital to U.S. economic and security interests; such access is important equally to other nations. The potential of new technologies to support more efficient use of frequencies and orbital positions can assist in insuring equitable access for all countries.

To enlarge the communications and information capabilities of developing countries.

National economic development, regional political stability, and a healthy global economy require effective communications and information capabilities. Developing countries can gain significant economic and social advantages for their internal development, as well as a more effective voice in the responsible conduct of world affairs, through improved communications. Enhancement of commercial and broader economic relationships depends upon effective communications and information exchange relations. Existing U.S. development policies stressing basic human needs must recognize to a greater extent the need for improving communications and information capabilities of developing countries. Greater involvement of the U.S. private sector is also needed.

To stimulate continuing advances in communications and information technologies.

Maintaining U.S. leadership to meet foreign competition effectively requires increasing attention to—and creation of opportunities for—innovation. Government actions have a profound effect on the private sector environment for such advancement. The marketplace should fairly test the acceptance of new products and services; government regulations should not stifle individual initiative.

To improve the basis for development and implementing policy.

Improving the basis for policy development and implementation requires continuing and increasingly effective relationships between the executive branch and the Congress, among the various executive departments and agencies and the Federal Communications Commission, and between the government and the private sector. More effective discussions among the United States and other countries concerning these questions are also essential. ■

The Falkland Islands

On April 2, 1982, the British-held Falkland Islands (250 miles off the southern tip of Argentina) and the South Georgia and South Sandwich Islands were invaded by several thousand Argentine Army, Navy, and Air Force troops. The Falklands have been a British colony since 1833 but since Argentina gained independence in 1816, it has maintained that it inherited a Spanish claim to the islands, which the Argentines call the Islas Malvinas.

Following are statements by Secretary Haig; J. William Middendorf II, U.S. Permanent Representative to the U.N.; the White House; the Department of State; texts of U.N. and OAS resolutions; and a declaration of foreign ministers of the OAS.

WHITE HOUSE STATEMENT, APR. 2, 1982¹

Our situation report indicates the Argentine Government now claims to have occupied the Falkland Islands and such others as the South Georgia and South Sandwich Islands. The British Government acknowledges that an invasion has taken place, but we have no information other than conflicting reports on fighting or casualties.

We have made clear to the Government of Argentina that we deplore use of force to resolve this dispute. We have called on Argentina to cease, immediately, hostilities and to withdraw its military forces from the Falkland Islands.

We are continuing to work bilaterally—and in multilateral forums such as the United Nations—to obtain a cessation of hostilities and a withdrawal.

Because of our concern over the tensions between Argentina and the United Kingdom, the U.S. Government welcomes and strongly supports the statement by the President of the U.N. Security Council, made yesterday on behalf of the Council. We fully endorse the Council's call for the exercise of utmost restraint at this time, the avoidance of the use or threat of force in the region, and for the continuation of the search for a diplomatic solution.

SECURITY COUNCIL RESOLUTION 502, APR. 3, 1982²

The Security Council

Recalling the statement made by the President of the Security Council at the 2345th meeting of the Security Council on 1 April 1982 (S/14944) calling on the Governments of Argentina and the United Kingdom of Great Britain and Northern Ireland to refrain from the use or threat of force in the region of the Falkland Islands (Islas Malvinas),

Deeply disturbed at reports of an invasion on 2 April 1982 by armed forces of Argentina,

Determining that there exists a breach of the peace in the region of the Falkland Islands (Islas Malvinas),

1. *Demands* an immediate cessation of hostilities;

2. *Demands* an immediate withdrawal of all Argentine forces from the Falkland Islands (Islas Malvinas);

3. *Calls* on the Governments of Argentina and the United Kingdom to seek a diplomatic solution to their differences and to respect fully the purposes and principles of the Charter of the United Nations.

WHITE HOUSE STATEMENT, APR. 7, 1982³

This morning the President met with his national security advisers to review the situation in the South Atlantic. After the meeting, the President is departing for Jamaica, where he will meet with Prime Minister Seaga to further the close working dialogue opened during the Prime Minister's visit last year. He then continues on to Barbados, where he will meet with leaders of eastern Caribbean countries to discuss regional issues of mutual concern.

In keeping with the initiatives the President has taken with both [British] Prime Minister Thatcher and [Argentine] President Galtieri and his offer of assistance, the President has directed Secretary of State Haig to continue consultations with the Governments of the United Kingdom and Argentina in the interest of assisting both parties in the search for a peaceful resolution of the dispute in the South Atlantic.

The President directed Secretary Haig to proceed to London and Buenos Aires at the invitation of both governments.

SECRETARY HAIG, ARRIVAL STATEMENT, LONDON, APR. 12, 1982⁴

As you know, I have just arrived from Buenos Aires. I am bringing here to the British Government—Mrs. Thatcher and her ministers—some ideas which have been developed on the basis of U.N. Security Council Resolution 502 and look forward to these discussions.

SECRETARY'S STATEMENT, LONDON, APR. 12, 1982⁵

You will recall that this morning—I think it was this morning—upon arrival I said I was bringing some ideas that we had developed in Buenos Aires. Today we had an opportunity to discuss these ideas with her senior cabinet. We made some progress in these discussions, but a number of substantial difficulties remain, so we will be returning this evening to Buenos Aires as time is slipping away from us on this subject.

Q. Can you tell us what the main sticking point was or is?

A. No, I'm not going to discuss any of the details of the negotiation; it only complicates the process.

Q. You talk about time slipping away—what sort of scale are you talking about, how long have you got?

A. But I think you are as able to assess that as am I.

Q. Is there a 72-hour truce?

A. No, there is no truce or no hesitation or pause in any of the military preparations, as I understand, that are underway.

Q. Are you more hopeful now than you were?

A. No, not at all.

OAS RESOLUTION 359, APR. 13, 1982⁶

THE SITUATION OBTAINING BETWEEN THE REPUBLIC OF ARGENTINA AND THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND IN RELATION TO THE MALVINAS (FALKLAND) ISLANDS

WHEREAS:

The dispute between the Republic of Argentina and the United Kingdom of Great Britain and Northern Ireland in relation to

the Malvinas (Falkland) Islands is endangering the peace of the hemisphere, and

The fundamental principles and purposes established in the Charter of the Organization of American States include those of strengthening the peace and security of the continent, preventing possible causes of difficulties and ensuring the peaceful settlement of disputes,

THE PERMANENT COUNCIL OF THE ORGANIZATION OF AMERICAN STATES, RESOLVES:

1. To express its profound concern over the serious situation that the Republic of Argentina and the United Kingdom of Great Britain and Northern Ireland now face.

2. To express its fervent hope that a rapid, peaceful solution can be found to the disagreement between the two nations within the context of the rules of international law.

3. To offer its friendly cooperation in the peace efforts already under way, in the hope of contributing in this way to a peaceful settlement of the dispute that will avert once and for all the danger of war between countries that deserve the respect of the international community.

SECRETARY'S STATEMENT, ANDREWS AIR FORCE BASE, APR. 13, 1982⁷

As you know, I've just returned from London and will report to the President on the status of our efforts to help in achieving a diplomatic solution to the crisis in the South Atlantic in conformance with U.N. Security Council Resolution 502. We left here early Thursday and had intensive discussions in London, Buenos Aires, and again in London. The parties have received some new ideas today which they are considering, and this will give me an opportunity to discuss the situation directly with President Reagan, to catch up on some other work here in Washington before proceeding on to Buenos Aires and the continuation of our efforts.

Q. [Inaudible].

A. I conferred with him in the morning and have been in touch with him continuously both telephonically and by message throughout this journey.

Q. How long before you go back?

A. It's too early to say. We want to look at these new ideas and it will be done very soon.

Q. Do you have any sense of optimism?

A. I don't want to describe my judgments on this at all. As you know, we are trying to assist the parties who have difficult problems to overcome.

SECRETARY'S STATEMENT, APR. 14, 1982⁸

I want to make a statement on the dispute between Argentina and the United Kingdom. It is an exceptionally difficult—and exceptionally dangerous—problem.

The positions that both countries hold are deeply felt and, in many cases, mutually contradictory. But the leaders of both countries have assured me and in turn the President, again today, that they are prepared to go on working with us to reach a peaceful solution. That will require flexibility on both sides—not abandonment of principle but responsible and defensible adjustments. As a result of my conversations in London, plus telephone conversations today, I have developed new ideas which I have described to the Argentine Government. Based on these new ideas, the Argentinians have invited me to return to Buenos Aires. I propose to do so tomorrow.

From the outset of this crisis, the United States has viewed its role as that of assisting the two sides in finding a peaceful solution. Our ability to do this is based on our longstanding relations with both the United Kingdom and Argentina. We have been careful to maintain these relationships in order to preserve our influence with both governments. Failure to live up to existing obligations—or going beyond them—would obviously jeopardize our ability to play the role both countries wish us to perform.

Since the onset of the crisis, the United States has, therefore, not acceded to requests that would go beyond the scope of customary patterns of cooperation based on existing bilateral agreements. That will continue to be our stand while our efforts are underway.

The exchanges of the last several days indicate that each government welcomes our role and recognizes the importance of preserving our ability to continue it.

WHITE HOUSE STATEMENT, APR. 15, 1982⁹

Late this afternoon, President Galtieri of Argentina called President Reagan to discuss the situation in the South Atlantic.

During the conversation, President Reagan said that he was wholeheartedly committed to a peaceful resolution of the dispute. He said that a conflict in the hemisphere between two Western nations would be a tragedy and would leave a bitter legacy. President Reagan also asked for flexibility and restraint by all parties in the days ahead. With that, he said, we should be able to get through this together. We still have a ways to go, he added, but he is hopeful that we can find a just and peaceful solution to this very serious matter. The President also said that Secretary Haig, his personal representative, would be arriving in Buenos Aires in a few hours to continue the efforts of the United States.

As he had in a previous conversation, President Galtieri reaffirmed to President Reagan his personal desire for a peaceful resolution of the dispute.

SECRETARY HAIG, QUESTION-AND-ANSWER SESSION BUENOS AIRES, APR. 18, 1982¹⁰

Q. It's been about 24 hours since we've had any news. Could you give us some idea of how the talks are going?

A. We're continuing to work on the problem with all the effort that a situation of this seriousness demands.

Q. You've had some moments when you were going, and you're staying now. What has caused you to have these ups and downs in these negotiations?

A. I think it's typical of difficult problems of this kind and we're just continuing to work.

Q. Could you give us any idea where the issue of sovereignty stands right now?

A. I think it serves no purpose to have this session here. I've been in close touch with the President, and we're just going to continue to do our work.

Q. Do you feel that any progress has been made at all, any progress?

A. I'm not going to describe one of the sessions—

Q. What do you feel about the members of the ruling junta being

Falkland Islands

Number of Islands: Two large (East and West Falkland) and approximately 200 smaller islands and islets.

Area: 4,700 sq. mi. (slightly smaller than Connecticut).

Terrain: East and West Falkland are separated by Falkland Sound. Their coastlines are extremely irregular with numerous intricate inlets, many of which form potential harbors. East Falkland is almost cut in half by a pair of deep inlets. The northern portion of the island is dominated by a rugged east-west range of hills. The southern portion is a low, undulating plain. West Falkland is more hilly.

Climate: The only long-term climate records available are the records of observations made in Stanley (East Falkland), where the temperature has never been known to exceed 79°F. or to fall below 12°F. Rainfall averages 25 inches a year and is spread fairly evenly throughout the year. No month is entirely frost free; snow falls on about 50 days during the year and has been recorded in every month. It is light, however, and

soon melts. Calm conditions are more frequent than storms.

Population: About 1,825 (of which 1,075 live in Stanley; the remainder live in 30 or more settlements scattered throughout the islands). About 95% of the labor force of 1,100 are involved with agriculture, primarily sheep.

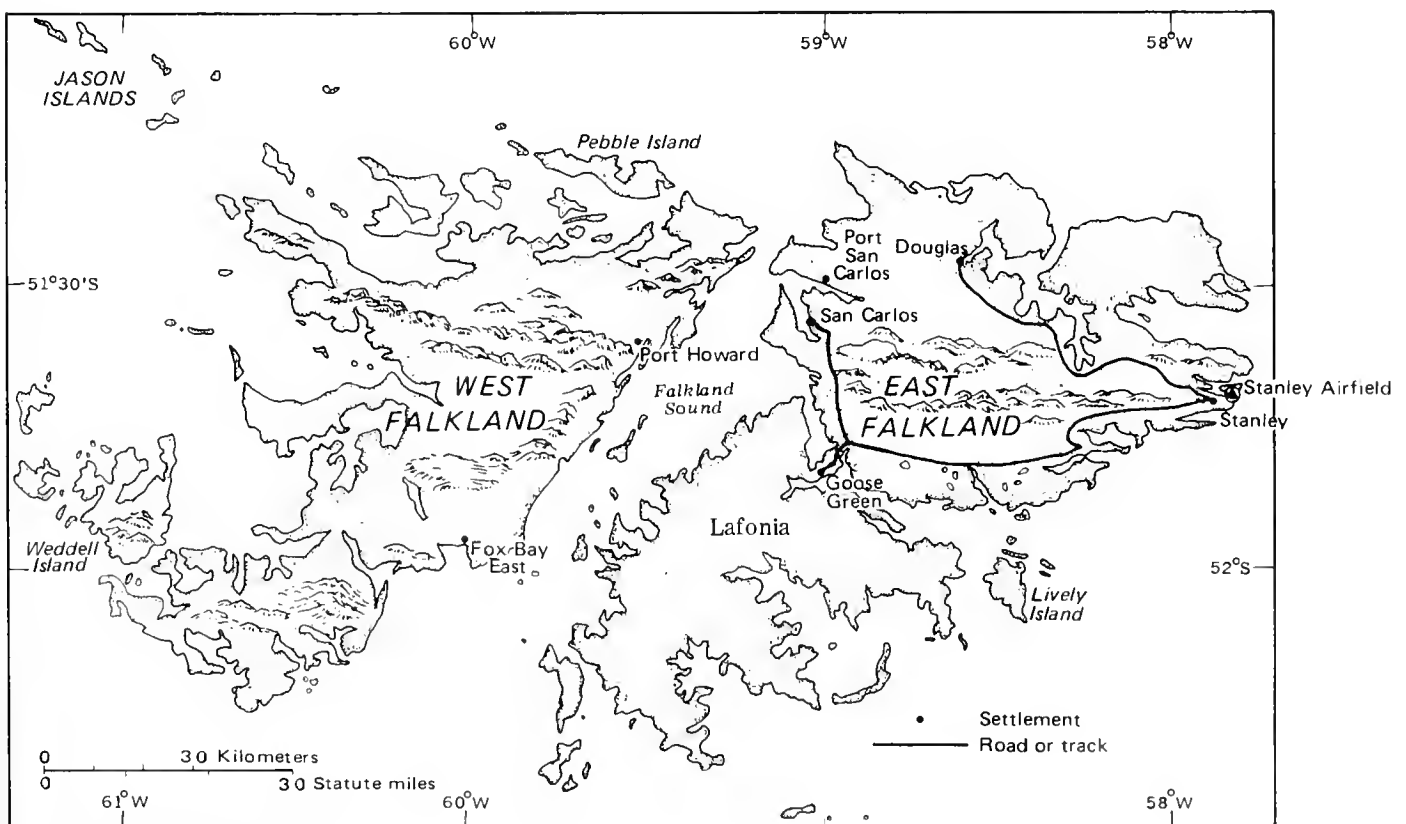
Telecommunications: Stanley and Fox Bay (West Falkland) have a telephone system to which most farms are connected. Contact with farms on the smaller islands is by radio telephone.

Economy: Main industry is sheep raising, and the entire economic organization of the islands is geared to the production of wool.

Transportation: There are no railroads. There are 317 miles of roads, only a small portion of which is paved. Stanley is the only developed port for oceangoing vessels. Inter-island boat traffic is important. The only permanent-surface airfield is near Stanley; about 35 unsurfaced landing strips are on the islands which are used by the inter-island air service.

Utilities: A diesel power station supplies power to Stanley. Elsewhere most of the settlements and farms have their own generating plants. A water purification and filtration plant provides clean water for Stanley.

Commerce: All consumer goods, construction materials, vehicles, spare parts—literally everything on the islands—arrive in Stanley from the United Kingdom by charter vessel four times a year. The same vessel takes the wool bales to the United Kingdom for sale. When the ships arrive, Stanley's general stores abound with such luxuries as ice cream, butter, frozen chickens, etc., which are generally sold out within the first few weeks. Except for the general stores, Stanley has no other commercial establishments (no shoe stores, laundries or drycleaners, barber-shops, or taxi service). Few homes have refrigerators so fresh meat is kept outside in a cold storage box, and butchering is usually postponed during the warm months. ■



(Bill Hezlep, INR, Department of State)

brought into the negotiations? What's the significance of that?

A. I wouldn't apply any significance or any lack of significance.

Q. As a former military man?

A. Not at all.

**SECRETARY HAIG,
QUESTION-AND-ANSWER SESSION
BUENOS AIRES,
APR. 18, 1982¹¹**

Q. What do you expect out the next stage of the negotiations here?

A. I think we are continuing to talk, we're continuing to work. More than that I can't say [inaudible].

Q. How long are you prepared to continue, the way you have been going?

A. I think all of us can be thankful that the effort is still underway and as long as it is underway—there is no other alternative [inaudible].

Q. How close are the Argentines to invoking the treaty of Rio. And second, do U.S. commitments to Great Britain take precedence over the treaty of Rio?

A. I think it's too early to say and I can't speak for the Argentine Government on the Rio treaty. There are a number of complications in that it would raise questions as to whether it was appropriate for [inaudible] to invoke the Rio treaty. I would not care to go beyond that in the context of our longstanding obligations to Great Britain which are well known and seriously taken [inaudible].

Q. Is there any indication that either the Argentines or the British are willing to compromise in any way over the question of sovereignty? And secondly, when you leave here do you plan to go to Washington or to London?

A. The question of sovereignty it seems to me is best not raised in the context of the current crisis. There are differing views on both sides, clearly. It's a subject for perhaps negotiation later. It's too early to say whether we are going to go from here to Washington to report to President Reagan. I've stayed in very close touch on the outset of this, received his instructions daily [inaudible]. It's still too early to say to answer that question; perhaps tomorrow or later [inaudible].

Q. You said that sovereignty is best discussed later. Does that mean that it is not being discussed now?

A. No, it clearly has an impact on the whole conduct of the discussion.

Q. Are the British conscious that the Argentinians intend to remain on the island dead or alive at any price?

A. I can't speak for the British on this subject and I can't speak for the Argentinians; they're capable of speaking for themselves.

**SECRETARY'S STATEMENT,
BUENOS AIRES,
APR. 19, 1982¹²**

Before leaving I have a brief formal departure statement to make.

On Thursday, when I returned to Buenos Aires, I brought with me new ideas which provided the basis for my very intensive meetings with the leadership of the Argentine Government. Others have been developed here. In these more than 3 days of very detailed talks, there has been a further identification and refinement of the Argentine position. We have now finished this stage of our work. I am making the results available to the British Government, and I am returning to Washington to report to the President.

We continue to believe firmly in the urgent necessity for a diplomatic solution to the South Atlantic crisis based on Security Council Resolution 502 and consistent with the principles and the purposes of the U.N. Charter. These are the guidelines we have followed since the outset of our effort. And I am more convinced than ever that war in the South Atlantic would be the greatest of tragedies and that time is, indeed, running out.

**SECRETARY'S STATEMENT,
CARACAS, APR. 19, 1982¹³**

Mr. Zambrano [Venezuela Foreign Minister Jose Alberto Zambrano Velasco] and I have just had a detailed exchange of views on the situation in the South Atlantic. I told the minister, on the question of Buenos Aires, that we went to Buenos Aires at the invitation of the Government of Argentina with some new idea with which to deal in accordance with U.N. Security Council Resolution 502. We had detailed exchanges there; we received some additional views and ideas from the Govern-

ment of Argentina which we have transmitted to London. We're in the process of having completed that stage of the activity we've been involved in, and I will now return to Washington to discuss the situation with President Reagan and to await further developments.

Q. Do you view a possible Argentine call for an OAS meeting as a positive or negative sign?

A. I don't want to comment on whether it is a positive or a negative sign. I think the Argentine Government has been considering such a step for a considerable period. It remains to be seen.

Q. Why did you stop in Caracas twice?

A. Clearly this is the place to stop for refueling of the aircraft. It provided me also a very convenient opportunity to exchange views with my colleague Mr. Zambrano on the situation. And I must say I noted with some interest the speculation that followed our initial discussion here on my last leg. Some of the speculation was totally devoid of a basis in fact.

We had no discussions about anything at that time other than the situation in the South Atlantic, plus some other discussions about our mutual concerns about the situation in Central America. So I am somewhat puzzled and surprised to see that speculation here.

**AMBASSADOR MIDDENDORF
OAS, APR. 20, 1982¹⁴**

The U.S. delegation is deeply disturbed by the implications of the proposed action that we are called upon to discuss today. In brief, we question whether such a proposal is either necessary or appropriate and whether, therefore, it may contribute to a peaceful settlement.

We would have thought it unnecessary to come before the OAS today. Nevertheless, if a majority of members believes the time has come to build upon our work of last week in the Permanent Council, there is more than ample basis for us to do so under the OAS Charter.

As we all agreed last week, in the resolution put forward by the distinguished representatives of Colombia, Ecuador, and Costa Rica and approved by this body by consensus, the proper role for our organization in this difficult situation is to be available to

assist the ongoing efforts to reach a peaceful settlement and to maintain our availability as a valuable source of support in these efforts.

Articles 59 and 60 of the OAS Charter provide an entirely appropriate vehicle for this organization to serve that role. And Article 24 of the charter expressly contemplates precisely the sorts of mechanisms—such as good offices, mediation, conciliation, and investigation—that may be needed in this case.

By contrast, convocation under the Rio treaty, as is proposed today, seems to us inappropriate for the present context. At a time when Secretary Haig is engaged in an ongoing effort to promote peaceful settlement within the framework of U.N. Resolution 502, which we are anxious not to prejudice, it seems to my government particularly inappropriate to seek consideration of this matter within the Rio treaty. Despite its utility for peacekeeping purposes, the Rio treaty is generally viewed as an instrument for developing and implementing collective security measures. While, of course, there has been no suggestion whatsoever that we consider adopting such measures, the mere fact of our meeting under the Rio treaty rubric would inevitably cast the activities of his group in an unhelpful confrontational light.

We could avoid such an unfortunate cast to our deliberations and achieve our purposes equally well, if not better, by meeting under the OAS Charter. Accordingly, it is the intention of my delegation to abstain on the proposed resolution under consideration.

OAS RESOLUTION 360, APR. 21, 1982¹⁵

WHEREAS:

In its note dated April 19, 1982, the Government of Argentina requested convocation of the Organ of Consultation, pursuant to Article 6 of the Inter-American Treaty of Reciprocal Assistance, to consider the measures that it would be advisable to take for the maintenance of the peace and security of the hemisphere, and

The Permanent Council of the Organization of American States has heard the statement by the Permanent Representative of Argentina denouncing a grave situation that threatens the peace and security of the hemisphere and that affects the sovereignty and territorial integrity of his country, and describing the measures that the Argentine Government has adopted in exercise of the right of legitimate self-defense,

THE PERMANENT COUNCIL OF THE ORGANIZATION OF AMERICAN STATES RESOLVES:

1. To convene the Organ of Consultation under the provisions of the Inter-American Treaty of Reciprocal Assistance, and in accordance with Article 70 of the Rules of Procedure of this Permanent Council, to consider the grave situation that has arisen in the South Atlantic.

2. To decide that the Organ of Consultation shall meet at the headquarters of the General Secretariat of the Organization on April 26, 1982, at 10 a.m.

3. To constitute itself and to act provisionally as Organ of Consultation, pursuant to Article 12 of the Inter-American Treaty of Reciprocal Assistance.

DEPARTMENT STATEMENT, APR. 25, 1982¹⁶

In light of events in South Georgia, the Argentines have asked for a postponement of the meeting with Mr. Haig. The Secretary had a lengthy conversation by telephone with the Argentine Foreign Minister this afternoon. He has also been in continuous communication with the President. During the Secretary's conversations with the Argentine Foreign Minister, the Secretary made it clear that President Reagan believes every effort should be made to find a peaceful solution. The Secretary will discuss the situation with the Foreign Minister tomorrow morning.

SECRETARY'S STATEMENT, OAS, APR. 26, 1982¹⁷

As we meet here in the Hall of the Americas, we are reminded of the Western Hemisphere's tradition of democracy, its record of achievement, and its devotion to peace. The Organization of American States is the living testimony that our cooperation can be a force for international progress. Clearly, a vigorous inter-American system is of fundamental importance to the future of the hemisphere.

These facts must be uppermost in our minds as we consider how best to advance toward a peaceful solution to the South Atlantic controversy. All of us know that we are dealing today with an enormously difficult and sensitive problem. Both the Republic of Argentina and the United Kingdom assert that their rights to the islands have been denied. Argentina is motivated by a deep national commitment to establish possession of the islands. It is frustrated by

South Georgia Islands

Number of Islands: One large and approximately 25 smaller islands and rocks.

Area: 1,450 sq. mi. (slightly larger than Long Island, New York).

Climate: Rain falls about 200 days of the year. The islands are covered entirely by snow and glaciers much of the year.

Population: A British scientific station at Grytviken is the only existing permanent settlement. The last whaling station closed in the early 1960s. ■

years of what it considers to be fruitless negotiation. Britain emphasizes its longstanding possession of the islands and asserts that the wishes of the inhabitants must be respected in any lasting settlement.

To understand these competing claims and the emotions on both sides does not mean to pass judgment on their validity. But this organization—and the world community—long ago made the judgment that force should not be used to solve international disputes. We shall all suffer if this fundamental principle of both the international order and hemispheric order, which the Rio treaty was designed to protect, is ignored. I think all of us are well aware of how many members of the OAS are involved in a dispute over territory with one or more neighbors.

In the current conflict, the surest guide to a peaceful settlement is to be found in U.N. Security Council Resolution 502. It requires an immediate cessation of hostilities, and immediate withdrawal of Argentine forces on the islands, and that the resolution of the problem be sought through diplomacy. These three points form the indispensable basis for a solution: They form an integrated whole. They have been accepted by both parties, or at least not rejected by either of them.

In support of Resolution 502, the United States has offered its assistance to both Britain and Argentina. We have acted in the spirit of friendship with both countries, heartened by the confidence of both governments. For the past 3 weeks, I have pursued the possibilities of averting wider conflict and a framework for a peaceful settlement, here, in Buenos Aires, and in Lon-

don. These discussions have been long and difficult. They could not have been otherwise in the context of this anguishing controversy. President Reagan believes that the United States has a perhaps unique ability to assist the parties. Under his direction, I have made myself available to both, accepting their invitations to sound out their views and suggesting avenues to approach a framework of peace.

Throughout this arduous period, we have been aware that the stakes for the international community, the Americas, and the two countries are very great. Continued military action will exact a heavy price. The enemies of the West could find fresh opportunities to seek that position of influence on the mainland of the Americas they have so long sought.

It is quite clear that the crisis has reached a critical point. New military action has taken place. Unless a settlement can be found in the next few days, more intensive fighting is likely to occur.

The conflict over the islands affects us all. As we consider what we can do to help the situation, let us recall these points.

- There has been a use of force by an American state, followed by a U.N. Security Council resolution which clearly sets forth the basis for a peaceful settlement. While we should take advantage of the peaceful settlement procedures available to us in this forum, it would be neither appropriate nor effective to treat this dispute within the collective security framework implied by the Rio treaty.

- Any resolution considered for adoption by the foreign ministers should be examined against the criteria of whether it contributes to the peace process, whether it impairs the peace efforts already endorsed by the OAS, and whether it strengthens the ability of this organization to contribute in the future to easing this crisis.

Our participation in the inter-American system pledges us to strengthen the peace and security of the hemisphere. In the search for a solution that both parties can accept with honor and responsibility, the United States remains at the disposition of the parties. At this critical hour, we are redoubling our peace efforts. With your help we may succeed.

DECLARATION OF FOREIGN MINISTERS, OAS, APR. 26, 1982

The Twentieth Meeting of Consultation of Ministers of Foreign Affairs, taking into account Resolution 359 of the Permanent Council and the serious situation that has brought about this meeting, urges that peace be maintained in the hemisphere and that law prevail as a basis for international relations.

OAS RESOLUTION I, APR. 28, 1982¹⁸

CONSIDERING:

The principles of inter-American solidarity and cooperation and the need to find a peaceful solution to any situation that endangers the peace of the Americas;

That a dangerous confrontation has arisen between the United Kingdom of Great Britain and Northern Ireland and the Argentine Republic, which was aggravated today by the events that have arisen from the presence of the British navy in the South Atlantic, within the security region referred to in Article 4 of the Rio Treaty;

That the primary purpose of the Inter-American Treaty of Reciprocal Assistance is the maintenance of the peace and security of the hemisphere, which, in the case that has arisen, requires ensuring the peaceful settlement of the dispute;

That to facilitate peaceful settlement of the dispute, it is urgent that hostilities cease since they disturb the peace of the hemisphere and may reach unforeseeable proportions;

That it is an unchanging principle of the inter-American system that peace be preserved and that all the American states unanimously reject the intervention of extra continental or continental armed forces in any of the nations of the hemisphere;

That Argentina's rights of sovereignty over the Malvinas (Falkland) Islands, as stated in some important resolutions passed by various international forums, including the Declaration of Inter-American Juridical Committee on January 16, 1976, which states: "That the Republic of Argentina has an undeniable right of sovereignty over the Malvinas Islands," must be borne in mind; and

That the peace efforts being made with the consent of the parties must be emphasized, and that inter-American solidarity contributes to that objective, and

HAVING SEEN:

Resolution 502 (1982) of the United Nations Security Council, all of whose terms must be fulfilled; Resolution 359 of April 13, 1982, adopted by the Permanent Council of the Organization of American States, and the Declaration adopted unanimously by the Ministers of Foreign Affairs at the opening session of the Twentieth Meeting of Consultation of Ministers of Foreign Affairs;

FALKLAND ISLANDS AND VICINITY



(Bill Hazelip, INR, Department of State)

on (Doc. 14/82), and in conformity with the Inter-American Treaty of Reciprocal Assistance,

RESOLVES:

1. To urge the Government of the United Kingdom of Great Britain and Northern Ireland immediately to cease the hostilities it is carrying on within the security region defined by Article 4 of the Inter-American Treaty of Reciprocal Assistance, and also to refrain from any act that may affect inter-American peace and security.

2. To urge the Government of the Republic of Argentina likewise to refrain from taking any action that may exacerbate the situation.

3. To urge those governments immediately to call a truce that will make it possible to resume and proceed normally with the negotiation aimed at a peaceful settlement of the conflict, taking into account the rights of sovereignty of the Republic of Argentina over the Malvinas (Falkland) Islands and the interests of the islanders.

4. To express the willingness of the Organ of Consultation to lend support, through whatever means it considers advisable, to the new initiatives being advanced at the regional or world level, with the consent of the Parties, which are directed toward the just and peaceful settlement of the problem.

5. To take note of the information received about the important negotiations of the Secretary of State of the United States of America and to express its wishes that they will be an effective contribution to the peaceful settlement of the conflict.

6. To deplore the adoption by members of the European Economic Community and other states of coercive measures of an economic and political nature, which are prejudicial to the Argentine nation and to urge them to lift those measures, indicating that they constitute a serious precedent, inasmuch as they are not covered by Resolution 502 (1982) of the United Nations Security Council and are incompatible with the Charters of the United Nations and of the OAS and the General Agreement on Tariffs and Trade (GATT).

7. To instruct the President of the Twentieth Meeting of Consultation to take immediate steps to transmit the appeal contained in operative paragraphs 1, 2 and 3 of this resolution to the governments of the United Kingdom of Great Britain and Northern Ireland and of the Republic of Argentina, and also to inform them, on behalf of the foreign ministers of the Americas, that he is fully confident that this appeal will be received for the sake of peace in the region and in the world.

8. To instruct the President of the Twentieth Meeting of Consultation immediately to present this resolution formally to the Chairman of the United Nations Security Council, so that he may bring it to the attention of the members of the Council.

9. To keep the Twentieth Meeting of Consultation open, especially to oversee

South Sandwich Islands

Number of Islands: Nine main and approximately 10 smaller islands and islets.

Area: 120 sq. mi. From the Cook Island in the south to Zavodovski Island in the north, South Sandwich Islands span an arc of approximately 200 nautical miles.

Climate: There are no long-term meteorological records. However, the islands are located well south of the approximate limits of pack ice for September.

Population: Argentinian scientific base on Southern Thule. ■

faithful compliance with this resolution, and to take such additional measures as are deemed necessary to restore and preserve peace and settle the conflict by peaceful means.

AMBASSADOR MIDDENDORF, OAS, APR. 28, 1982¹⁹

I will take only a moment to explain the vote of my delegation on the resolution just adopted.

We are gratified by the support expressed in operative Paragraph 5 for the efforts of Secretary Haig to avert a wider conflict and to obtain agreement on a framework for peace.

It is precisely because of those efforts that my delegation has voted as it did on the proposed resolution. The resolution comes at a delicate moment in Secretary Haig's efforts; at a moment when the United States has redoubled its peace efforts.

Given the Secretary's mission, the United States is not in a position to express views on many of the issues addressed by the resolution and, therefore, has abstained. In so doing, we reaffirm the fervent hope, shared by each of us, that all the actions of this distinguished body will truly facilitate peace.

SECRETARY'S STATEMENT, APR. 30, 1982²⁰

The South Atlantic crisis is about to enter a new and dangerous phase, in which large-scale military action is likely. I would like to bring you up to date

on what we have done, why, and what we must do now.

We have made a determined effort to restore peace through implementation of U.N. Security Council Resolution 502. That resolution calls for an end to hostilities, the withdrawal of Argentine forces from the islands, and a diplomatic settlement of the fundamental dispute.

The United States made this extraordinary effort because the stakes in human lives and international order required it. From the outset, the United States has been guided by the basic principle of the rule of law and the peaceful settlement of disputes. The collapse of that principle could only bring chaos and suffering.

We also made this effort because the crisis raised the vital issues of hemispheric solidarity at a time when the Communist adversaries seek positions of influence on the mainland of the Americas, and latent territorial disputes in much of the hemisphere called for unity and the resolute defense of principle. We acted as well because the United States has the confidence of the parties. The United Kingdom is our closest ally, and Prime Minister Thatcher's government looked to us to pursue a peaceful solution. We have also recently developed a better relationship with Argentina as part of our success in revitalizing the community of American states. President Galtieri also requested our involvement.

Under the direction of President Reagan, I participated in many days of intense discussions with the parties in the search of a framework for implementing U.N. Security Council Resolution 502. Our initial aim was to clarify the position of the parties and to offer suggestions on how those positions might be reconciled. We took no position on the merits of either the British or Argentine claims to the islands. As the prospects for more intense hostilities arose, we put forth an American proposal. It represented our best estimate of what the two parties could reasonably be expected to accept and was based squarely on our own principles and concern for the rule of law.

We regard this as a fair and a sound proposal. It involves a cessation of hostilities, withdrawal of both Argentine and British forces, termination of sanctions, establishment of a U.S.-U.K.-Argentine interim authority to maintain the agreement, continuation of the traditional local administration with Argentine participation, procedures for encouraging cooperation in the develop-

ment of the islands, and a framework for negotiations on a final settlement, taking into account the interests of both sides and the wishes of the inhabitants.

We had reason to hope that the United Kingdom would consider a settlement along the lines of our proposal, but Argentina informed us yesterday that it could not accept it. Argentina's position remains that it must receive an assurance now of eventual sovereignty or an immediate *de facto* role in governing the islands which would lead to sovereignty.

For its part, the British Government had continued to affirm the need to respect the views of the inhabitants in any settlement.

The United States has thus far refrained from adopting measures in response to the seizure of the islands that could have interfered with our ability to work with both sides in the search for peace.

The British Government has shown complete understanding for this position. Now, however, in light of Argentina's failure to accept a compromise, we must take concrete steps to underscore that the United States cannot and will not condone the use of unlawful force to resolve disputes.

The President has, therefore, ordered the suspension of all military exports to Argentina, the withholding of certification of Argentine eligibility for military sales, and the suspension of new Export-Import Bank credits and guarantees.

The President has also directed that the United States will respond positively for requests to material support for British forces. There will, of course, be no direct U.S. military involvement.

American policy will continue to be guided by our concerns for the rule of law and our desire to facilitate an early and fair settlement. The United States remains ready to assist the parties in finding that settlement. A strictly military outcome cannot endure over time. In the end, there will have to be a negotiated outcome acceptable to the interested parties. Otherwise, we will all face unending hostility and insecurity in the South Atlantic.

¹Made at the news briefing at the White House by Principal Deputy Press Secretary Larry Speakes (text from Weekly Compilation of Presidential Documents of Apr. 5, 1982).

²Adopted by a vote of 10 (U.S.)-1, with 4 abstentions.

³Text from Weekly Compilation of Presidential Documents of Apr. 12.

⁴Press release 124.

⁵Press release 125 of Apr. 13.

⁶Adopted by consensus by the Permanent Council of the OAS.

⁷Press release 126 of Apr. 14.

⁸Press release 131.

⁹Text from Weekly Compilation of Presidential Documents of Apr. 19.

¹⁰Press release 137 of Apr. 20.

¹¹Press release 136 of Apr. 20.

¹²Press release 139 of Apr. 20.

¹³Press release 140 of Apr. 21.

¹⁴Made at the 20th meeting of the Consultation of Ministers of Foreign Affairs, OAS.

¹⁵Adopted by the convocation of the 20th meeting of the Consultation of Ministers of Foreign Affairs, Permanent Council, OAS, by a vote of 18-0, with 3 abstentions (U.S.).

¹⁶Made available to the press by Department spokesman Dean Fischer.

¹⁷Made to the 20th meeting of the Consultation of Ministers of Foreign Affairs, Permanent Council, OAS (press release 146 of Apr. 27).

¹⁸Adopted by the 20th meeting of the Consultation of Ministers of Foreign Affairs, Permanent Council, OAS, by a vote of 17-0, with 4 abstentions (U.S.).

¹⁹Made at the 20th meeting of the Consultation of Ministers of Foreign Affairs, OAS.

²⁰Press release 150. ■

Background on the Falkland Islands Crisis

by Neal H. Petersen
Office of the Historian

Summary

The Falkland Islands dispute dates to the era of early European exploration. Spain and England nearly went to war over control of the area in the 18th century, and the question of sovereignty has been a matter of keen significance to Argentina from its moment of independence in 1816. The United States was involved in events of the early 1830s. In 1833 the British established an enduring British presence. For the next 150 years, the British developed the islands as a colony supporting a whaling and a sheep industry protected by the Royal Navy. Argentina never allowed its sense of grievance to cool and in the post-1945 era raised the claim repeatedly. Sporadic U.K.-Argentine negotiations have occurred since 1966. The U.S. position has been to accept the fact of British presence without prejudice to the question of ultimate sovereignty and to avoid taking sides on the issue.

Early Claims

Contending claims to the Falkland/Malvinas Islands date to the earliest phases of European exploration. The British maintain that the first confirmed voyage to the islands was undertaken in 1592 by the English sailor John Davis. The possibility of earlier voyages to the Falklands by various Spanish explorers, including Amerigo Vespucci in 1502, is generally discounted by scholars but continues to be advanced by some Argentine historians.

The first European settlement on the Falklands was established in 1764 by the French who later sold their rights to Spain. A British settlement took hold in 1766. Britain and Spain nearly went to war over the islands in the 1770s. Britain withdrew in 1774 without the question of sovereignty being resolved.

Until 1811, Spain enjoyed undisputed control of the Falklands but used them for little more than a penal colony and withdrew entirely in 1811 during Argentina's war for independence. The new Argentine Government claimed the vacant islands in 1820 and established a colony in 1826.

U.S. Involvement During the 19th Century

In 1831 the Argentine governor of the Falklands seized three American sealing ships to demonstrate Argentine authority in the area. One escaped, one was released, but the third, the *Harriet*, was taken to Buenos Aires as a prize. When Argentina rejected U.S. diplomatic protests, the U.S.S. *Lexington*, an American warship, destroyed the Argentine settlement in the Falklands and deported much of the population, including all responsible officials.

There ensued a 12-year break in U.S.-Argentine relations and a battle of contending claims respecting the seizure of the *Harriet* and the destruction wrought by the *Lexington*. Argentina continued to demand reparations for decades. A U.S. reply of 1841 stated that the United States was suspending judgment on the Argentine request because it did not want to commit itself

the Anglo-Argentine dispute over sovereignty. In 1885 President Cleveland defended the *Lexington's* destruction of the "piratical" Argentine colony and publicly rejected the Argentine claim as "wholly groundless."

U.S. Views of the British Colony

The British occupied the islands in 1833 and exercised control for the next century and a half. The Falklands supported profitable sheep-raising industry while serving as a whaling station and naval refueling port. The victories achieved by British warships operating out of and near the Falklands in both World Wars underlined the islands' strategic value.

U.S. policy on the issue of sovereignty was generally noncommittal and occasionally ambiguous and self-contradictory. The United States chose not to consider the British reoccupation of the Falklands a violation of the Monroe Doctrine, basing its position on British claims antedating that pronouncement, the ambiguous state of the British/Argentine legal dispute, and the practical consideration that recognition of Argentine sovereignty would undercut the U.S. defense against Argentine claims for damages.

The United States denied Britain's right to proceed against U.S. whalers and fishermen as trespassers. Yet U.S. commercial agents, and then consuls, located on the Falklands dealt with British authorities. The United States also listed the islands as a British possession in a bilateral convention with the United Kingdom of 1902. The United States became a party to various multilateral conventions to which the United Kingdom acceded on behalf of the Falkland Islands. The Falklands were identified as British in a U.S. consular instruction of 1926 and listed as British in a press release of 1938 analyzing a trade agreement with the United Kingdom. On the other hand, apparently trying to avoid implying U.S. acceptance of the British claim, the United States avoided mention of the Falkland Islands in the 1938 agreement itself.

The Issue Since 1945

Since the Second World War, successive U.S. Administrations have hewed to a course of strict neutrality on the Falklands issue despite repeated Argentine requests for support. At inter-American conferences of the 1945-55 period, the United States reiterated its neutral position and called for a peaceful settlement. With the Falklands in mind it abstained or voted against resolutions calling for a definitive end to colonialism in the Americas, self-determination for the colonies of extracontinental powers, and the monitoring of dependent territories by the Organization of American States.

In 1964 Argentina began a concerted international campaign for the "return of the Malvinas," taking its case to the United Nations and the Committee of 24 as a colonial issue. The United States declined formal and informal Argentine requests for support and abstained on a resolution calling for bilateral U.K.-Argentine negotiations and an end to "colonialism" in the Falklands. In 1965 the United States again abstained on an Argentine-initiated resolution at the U.N. General Assembly. The United Kingdom and Argentina did begin negotiations in January 1966, but a hijacking and symbolic "invasion" of the islands by a handful of Argentine nationalists occurred in October, followed by anti-British demonstrations in Argentina.

In November 1967 Prime Minister Harold Wilson's Labor government appeared to accept the principle of eventual Argentine control of the islands, dependent on the will of the inhabitants. A visit to the Falklands by Lord Chalfont, Minister of State, in November 1968 raised the islanders' fears of abandonment. An uproar in the London press and Conservative Party opposition in Parliament fueled sentiment to retain the islands. Rumors in 1969 of possible oil deposits added another dimension to the controversy.

In July 1971 the two sides announced a series of agreements increasing commercial, communications, social, and cultural links between the Falklands and Argentina. However, following the

return of Juan Peron, the negotiations collapsed in November 1973. The Argentine Government again asked for U.S. support but was rebuffed by the familiar stance of impartiality. A British economic survey of the Falklands in 1976 met with a vigorous protest from Argentina, and there occurred an incident at sea involving the Argentine Navy and a British research vessel. Probable oil deposits seemed to be a cause for heightened tension. British and Argentine negotiators resumed discussions in 1977 and by December 1978 had agreed on scientific cooperation in research on the Falkland dependencies. A new round of negotiations commenced in March 1981. In October the United Kingdom conducted elections for a local legislative council.

Early in 1982, Argentina insisted upon monthly bilateral negotiations with a preestablished agenda and escalated the level of its rhetoric on the issue. Disagreement over the presence of Argentines on the South Georgia Islands to dismantle an abandoned whaling factory led to sharply rising tensions. There followed the Argentine invasion of the Falklands on April 2 and on South Georgia on April 4.

Throughout the postwar period the United States had not deviated from its refusal to take a position on the issue of sovereignty. ■

Current Actions

MULTILATERAL

Coffee

Extensions of the international coffee agreement 1976. Approved by the International Coffee Council at London Sept. 25, 1981. Enters into force Oct. 1, 1982 for those parties notifying their acceptance by Sept. 30, 1982, provided certain conditions are met. Acceptances deposited: Mexico, Feb. 2, 1982; U.S., Feb. 11, 1982. Notification of provisional application deposited: Zimbabwe, Feb. 24, 1982.

Commodities

Agreement establishing the Common Fund for Commodities with schedules. Done at Geneva June 27, 1980.¹ Signatures: Samoa, Apr. 2, 1982; Syrian Arab Republic, Mar. 26, 1982. Ratifications deposited: Algeria, Venezuela, Mar. 31, 1982; Kenya, Apr. 6, 1982; Korea, Mar. 30, 1982.

Conservation

Convention on the conservation of Antarctic marine living resources, with annex for an arbitral tribunal. Done at Canberra May 20, 1980. Entered into force Apr. 7, 1982. Ratification deposited: G.D.R., Mar. 30, 1982.

Education—UNESCO

Convention on the recognition of studies, diplomas, and degrees concerning higher education in the states belonging to the Europe region. Done at Paris, Dec. 21, 1979. Entered into force Feb. 19, 1982.² Ratification deposited: Byelorussian Soviet Socialist Republic, Mar. 3, 1982.

Environmental Modification

Convention on the prohibition of military or any other hostile use of environmental modification techniques, with annex. Done at Geneva May 18, 1977. Entered into force Oct. 5, 1978; for the U.S. Jan. 17, 1980. TIAS 9614. Accession deposited: Egypt, Apr. 1, 1982.

Finance

Articles of agreement of the International Bank for Reconstruction and Development formulated at the Bretton Woods Conference July 1–22, 1944. Entered into force Dec. 27, 1945. TIAS 1502. Signature and acceptance deposited: Belize, Mar. 19, 1982.

Genocide

Convention on the prevention and punishment of the crime of genocide. Adopted at Paris Dec. 9, 1948. Entered into force Jan. 12, 1951.² Accession deposited: Cyprus, Mar. 29, 1982.

Health-Sanitary Regulations

Additional regulations amending the international health regulations of July 25, 1969. TIAS 7026. Adopted at Geneva May 20, 1981. Entered into force: Jan. 1, 1982.

Labor

Constitution of the International Labor Organization. Done at Montreal Oct. 9, 1946. Entered into force Apr. 20, 1948. TIAS 1868. Acceptance deposited: Antigua and Barbuda, Feb. 16, 1982.

North Atlantic Treaty Protocol (Spain)

Protocol to the North Atlantic Treaty on the accession of Spain. Done at Brussels Dec. 10, 1981.¹ Acceptances deposited: F.R.G., Apr. 8, 1982; Luxembourg, Apr. 6, 1982; U.S., Apr. 1, 1982. Ratification deposited: Denmark, Apr. 20, 1982.

Oceanographic Research

Agreement relating to the conduct of a joint program of marine geoscientific research and mineral resource studies of the South Pacific region, with annexes. Signed at Suva Mar. 12, 1982. Entered into force Mar. 12, 1982. Signatures: Australia, New Zealand, U.S., Mar. 12, 1982.

Phonograms

Convention for the protection of producers of phonograms against unauthorized duplication of their phonograms. Done at Geneva Oct. 29, 1971. Entered into force Apr. 18, 1973; for the U.S. Mar. 10, 1974. TIAS 7808. Notification of accession: Costa Rica, Mar. 17, 1982.

Property—Industrial

Convention of Paris for the protection of industrial property of Mar. 20, 1883, as revised. Done at Stockholm July 14, 1967. Entered into force Apr. 26, 1970; for the U.S. Sept. 5, 1970, except for Articles 1–12 entered into force May 19, 1970; for the U.S. Aug. 25, 1973. TIAS 6923 and 7727. Accession deposited: Saudi Arabia, Feb. 22, 1982.

Property—Industrial—Classification

Nice agreement concerning the international classification of goods and services for the purposes of the registration of marks of June 15, 1957, as revised. TIAS 7419. Done at Geneva May 13, 1977. Entered into force Feb. 6, 1979.² Notification of ratification: G.D.R., Mar. 23, 1982.

Rubber

International natural rubber agreement, 1979. Done at Geneva Oct. 6, 1979. Entered into force provisionally Oct. 23, 1980. Entered into force definitively: Apr. 15, 1982.

Ratifications deposited: Brazil, Apr. 14, 1982; Belgium, Italy, Luxembourg, Apr. 15, 1982. Accession deposited: Thailand, Apr. 15, 1982. Approval deposited: EEC, Apr. 15, 1982.

Treaties

Vienna convention on the law of treaties, with annex. Done at Vienna May 23, 1969. Entered into force Jan. 27, 1980.² Ratification deposited: Congo, Apr. 12, 1982

U.N. Industrial Development Organization

Constitution of the U.N. Industrial Development Organization, with annexes. Adopted at Vienna Apr. 8, 1979.¹ Signatures: Chad, Apr. 14, 1982; Seychelles, Apr. 21, 1982. Ratifications deposited: Ecuador, Apr. 15, 1982; France, Mar. 30, 1982; Kuwait, Apr. 1, 1982; Seychelles, Apr. 21, 1982.

Weapons

Convention on prohibitions or restrictions on the use of certain conventional weapons which may be deemed to be excessively injurious or to have indiscriminate effects. Done at Geneva Oct. 10, 1980.¹ Signatures: Afghanistan, Austria, Belgium, Bulgaria, Byelorussian Soviet Socialist Republic, Canada, Cuba, Czechoslovakia, Denmark, Egypt, Finland, France,^{3,4,5} G.D.R., F.R.G., Greece, Hungary, Iceland, Ireland, Italy,³ Luxembourg, Mexico, Mongolia, Morocco, Netherlands, New Zealand, Norway, Poland, Portugal, Spain, Sudan, Sweden, Ukrainian Soviet Socialist Republic U.S.S.R., U.K.,⁴ Vietnam, Apr. 10, 1981; Sierra Leone, May 1, 1981; Yugoslavia, May 5, 1981; India, Philippines, May 15, 1981; Nicaragua, May 20, 1981; Switzerland June 18, 1981; Ecuador, Sept. 9, 1981; China Sept. 14, 1981,⁴ Togo, Sept. 15, 1981; Japan Sept. 22, 1981; Argentina, Dec. 2, 1981; Nigeria, Pakistan, Jan. 26, 1982; Liechtenstein, Feb. 11, 1982; Turkey, Mar. 26, 1982; Australia, Romania, U.S., Apr. 8, 1982. Ratifications deposited: China, Apr. 7, 1982; Finland, Apr. 8, 1982; Mexico, Feb. 11, 1982.

Protocol on nondetectable fragments (Protocol I) to the convention on prohibitions or restrictions on the use of certain conventional weapons which may be deemed to be excessively injurious or to have indiscriminate effects. Done at Geneva Oct. 10, 1980.¹ Acceptances deposited: China, Apr. 7, 1982; Finland, Apr. 8, 1982; Mexico, Feb. 11, 1982.

Protocol on prohibitions or restrictions on the use of mines, boobytraps, and other devices (Protocol II) to the convention on prohibitions or restrictions on the use of certain conventional weapons which may be deemed to be excessively injurious or to have indiscriminate effects. Done at Geneva Oct. 10, 1980.¹ Acceptances deposited: China, Apr. 7, 1982; Finland, Apr. 8, 1982; Mexico, Feb. 11, 1982.

Protocol on prohibitions or restrictions on the use of incendiary weapons (Protocol III) to the convention on prohibitions or restrictions on the use of certain conventional weapons

which may be deemed to be excessively injurious or to have indiscriminate effects. Done at Geneva Oct. 10, 1980.¹
Acceptances deposited: China, Apr. 7, 1982; Finland, Apr. 8, 1982; Mexico, Feb. 11, 1982.

Vills

Convention providing a uniform law on the form of an international will, with annex. Done at Washington Oct. 26, 1973. Entered into force Feb. 9, 1978.²
Extended to: Province of Saskatchewan, Apr. 8, 1982; effective Oct. 8, 1982.

Women

Convention on the elimination of all forms of discrimination against women. Adopted at New York Dec. 18, 1979. Entered into force Sept. 3, 1981.²
Ratification deposited: Austria, Mar. 31, 1982.

World Heritage

Convention concerning the protection of the world cultural and natural heritage. Done at Paris Nov. 23, 1972. Entered into force Dec. 17, 1975. TIAS 8226.
Ratification deposited: Peru, Feb. 24, 1982.

BILATERAL

Australia

Memorandum of understanding for the exchange of international express mail, with details of implementation. Signed at Washington and Victoria June 5 and 16, 1981. Entered into force July 1, 1981.

Brazil

Agreement relating to trade in cotton and manmade fiber textiles and textile products, with annexes. Effected by exchange of notes at Washington Mar. 31, 1982. Entered into force Mar. 31, 1982.

Canada

Interim arrangement for the coordination of U.S. land mobile radio stations operating in the 806-890 MHz frequency band in the vicinity of the border between the U.S. and Canada, with appendix and exchange of letters. Effected by exchange of letters signed at Ottawa and Washington Dec. 21, 1976 and Jan. 13, 1977. Entered into force Jan. 13, 1977. TIAS 8838.
Terminated: Apr. 7, 1982.

Agreement modifying the agreement of Oct. 24, 1962, as amended (TIAS 5205, 5833) concerning the coordination and use of radio frequencies above 30 megacycles per second, with arrangement. Effected by exchange of notes at Washington Feb. 26 and Apr. 7, 1982. Entered into force Apr. 7, 1982.

Agreement modifying the agreement of Apr. 23 and June 23, 1952 (TIAS 2594), relating to the allocation of television channels, with arrangement. Effected by exchange of notes at Washington Feb. 26 and Apr. 7, 1982. Entered into force Apr. 7, 1982.

Agreement amending and supplementing the agreement of Mar. 9, 1959, as amended and supplemented (TIAS 4192, 5117, 5608, 6236, 7408, 9003, 9883), governing the tolls on the St. Lawrence Seaway. Effected by exchange of notes at Washington Mar. 18, 1982. Entered into force Mar. 18, 1982.

China

Agreement with respect to mutual exemption from taxation of transportation income of shipping and air transport enterprises. Signed at Beijing Mar. 5, 1982. Enters into force on the date each party has notified the other of the completion of its respective legal procedures.

Costa Rica

Agreement for sales of agricultural commodities, with memorandum of understanding. Signed at San Jose Mar. 25, 1982. Enters into force when the importer country notifies the exporter country that all constitutional requirements have been met.

Egypt

General security of military information agreement. Signed at Cairo Feb. 10, 1982. Entered into force Feb. 10, 1982.

El Salvador

Air transport agreement, with annexes and related exchange of letters. Signed at Washington Apr. 2, 1982. Enters into force upon receipt of notification from the Government of El Salvador that its ratification process has been completed.

France

Memorandum of understanding on cooperation in agricultural science and technology. Signed at Washington Mar. 15, 1982. Entered into force Mar. 15, 1982.

Federal Republic of Germany

Agreement on cooperation in the field of agricultural science and technology. Signed at Bonn June 1, 1981. Entered into force June 1, 1981.

India

Agreements amending the agreement of Dec. 30, 1977, as amended (TIAS 9036, 9232), relating to trade in cotton, wool and manmade fiber textiles and textile products. Effected by exchanges of letters at Washington Mar. 16 and 18, Mar. 18 and 19, and Mar. 23 and 26, 1982. Entered into force Mar. 18, 19, and 26, 1982.

Israel

First amendment to the cash assistance grant agreement of Dec. 31, 1981 for the economic and political stability of Israel. Signed Mar. 31, 1982. Entered into force Mar. 31, 1982.

Italy

Agreement amending and extending the agreement of June 3, 1975 (TIAS 8182) on cooperation in the field of geothermal energy research and development. Effected by ex-

change of letters at Washington and Rome June 4 and 27, 1980. Entered into force June 27, 1980; effective June 3, 1980.

Japan

Agreement extending the agreement of May 2, 1975, as extended, concerning an international observer scheme for whaling operations from land stations in the North Pacific Ocean (TIAS 8088, 8399, 8874, 9204, 9765). Effected by exchange of notes at Tokyo Mar. 30, 1982. Entered into force Mar. 30, 1982.

Korea

Memorandum of agreement regarding the construction of facilities at 2nd ID USA to improve combined defense capabilities. Signed Feb. 2, 1982. Entered into force Feb. 2, 1982.

Mauritius

Agreement for sales of agricultural commodities, relating to the agreement of June 29, 1979 (TIAS 9541), with minutes of negotiation. Signed at Port Louis Apr. 8, 1982. Entered into force Apr. 8, 1982.

Mexico

Agreement extending the agreement of Feb. 16, 1979 (TIAS 9444), on cooperation to improve the management of arid and semiarid lands and control desertification. Effected by exchange of notes at Mexico and Tlatelolco Feb. 11 and Mar. 11, 1982. Entered into force Mar. 11, 1982; effective Feb. 16, 1982.

Agreement amending the agreement of June 2, 1977 (TIAS 8952) relating to additional cooperative arrangements to curb the illegal traffic in narcotics. Effected by exchange of letters at Mexico Mar. 15 and 17, 1982. Entered into force Mar. 17, 1982.

Agreement amending the agreement of Dec. 2, 1980 (TIAS 10106) relating to additional cooperative arrangements to curb the illegal traffic in narcotics. Effected by exchange of letters at Mexico Apr. 2, 1982. Entered into force Apr. 2, 1982.

Morocco

Agreement establishing a Binational Commission for Educational and Cultural Exchange. Signed at Marrakech Feb. 12, 1982. Enters into force when each government has notified the other government of the completion of formalities required for the purpose of this agreement.

Pakistan

Agreement for assistance in the transport of relief commodities to Afghan refugee camps in Pakistan. Signed at Islamabad Sept. 30, 1981. Entered into force Sept. 30, 1981.

Agreement amending and extending the memorandum of agreement of Nov. 23 and Dec. 20, 1976 relating to the provision of parts and services to the Pakistani Department of Civil Aviation (TIAS 8743). Signed at

Washington and Karachi Dec. 2, 1981 and Feb. 4, 1982. Entered into force Feb. 4, 1982.

Agreement amending the agreement of Jan. 4 and 9, 1978, as amended (TIAS 9050, 9661, 9804), relating to trade in cotton textiles. Effected by exchange of letters at Washington Mar. 9 and 11, 1982. Entered into force Mar. 11, 1982.

Philippines

Agreement on employees' compensation and medical care programs [for Philippine employees of U.S. Forces], with annex. Signed at Manila Mar. 10, 1982. Entered into force Mar. 10, 1982.

Sudan

Agreement for sales of agricultural commodities, relating to the agreement of Dec. 24, 1977 (TIAS 9157), with related letter and agenda. Signed at Khartoum Feb. 13, 1982. Entered into force Feb. 13, 1982.

Thailand

Agreement amending the agreement of Oct. 4, 1978, as amended (TIAS 9215, 9462, 9717), relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of letters at Bangkok Mar. 2 and 30, 1982. Entered into force Mar. 30, 1982.

¹Not in force.

²Not in force for the U.S.

³Declaration.

⁴Statement.

⁵Reservation. ■

April 1982

April 2

British held Falkland Islands, 250 miles off the southeastern coast of Argentina and the South Georgia and South Sandwich Islands, are invaded and overcome by several thousand Argentine Army, Navy, and Air Force troops. The Falklands—an archipelago of nearly 200 islands—have been a British colony since 1833, but since gaining independence in 1816, Argentina has maintained that it inherited a Spanish claim to the islands.

Britain breaks off diplomatic relations with Argentina and warns it is taking appropriate military measures to assert its rights under international law.

In a telephone call, President Reagan fails to persuade Argentine President Leopoldo Galtieri to call off the invasion.

April 3

Prime Minister Thatcher announces that the islands will remain British territory, orders a 35-ship naval task force to the South Atlantic, announces that Argentina's financial assets in Britain would be frozen and other economic sanctions imposed which will in-

clude suspension of new export credits and the halt of military equipment, aircraft, and spare parts sales.

By a vote of 10 to 1 (Panama) with 4 abstentions—Soviet Union, China, Poland, and Spain—the U.N. Security Council adopts Resolution 502:

- Demanding an immediate cessation of hostilities;
- Demanding that Argentine forces withdraw immediately from the islands; and
- Calling on both governments to seek a diplomatic solution to the dispute.

Argentina announces it is breaking relations with Britain and orders British diplomats to leave Argentina.

April 4

Argentina takes South Georgia Island.

April 5

British Foreign Secretary Lord Carrington resigns because of what he says is the "humiliating affront" of Argentina's seizure of the islands. He is replaced by Francis Pym, the Conservative leader in the House of Commons.

In a radio message, the British Government advises British subjects to leave Argentina because of the crisis.

April 6

In Washington, Secretary Haig meets separately with Argentine Ambassador Esteban A. Takacs and British Ambassador Sir Nicholas Henderson in an effort to open discussions on a solution to the crisis.

April 7

Seeking to avert a military clash over the Falkland crisis, President Reagan directs Secretary Haig to meet with senior officials in London and Buenos Aires to hold preliminary discussions and to offer U.S. assistance in peacefully resolving the dispute.

Britain imposes a 200-mile naval blockade around the islands and threatens to sink any Argentine ship that comes within these limitations after dawn April 12.

Meanwhile, Argentina, in a ceremony at Stanley, the capital, extends its civil rule over the islands, and Brig. Gen. Mario Benjamin Menendez is inducted as governor.

President Reagan makes an official visit to Jamaica and Barbados April 7-11—the first American Chief Executive to visit those islands while in office.

April 8

Secretary Haig arrives in London on the first leg of a mission to assist in finding a solution to the Falklands crisis.

April 9

Secretary Haig flies from London to Buenos Aires.

In Brussels, Ambassadors to the European Common Market confirm a ban on arms sales to Argentina.

U.S. offers Nicaragua an 8-point proposal that would mend relations in return for an

end to that country's support for insurgency in El Salvador. The proposal provides for:

- An end to Nicaraguan support for insurgencies in neighboring counties;
- A U.S. political declaration opposing any activities by Nicaraguan exiles to invade Nicaragua, and promising to prosecute such illegal activity;
- A joint U.S.-Nicaraguan pledge not to interfere in each other's affairs;
- Limits on import of heavy offensive weapons and on the number of foreign military advisers in the region;
- A verification of those limits, conducted by outside observers from the U.N. or the OAS;
- A resumption of U.S. aid to Nicaragua including making that country eligible for trade and investment incentives proposed in President Reagan's Caribbean basin proposal;
- A series of confidence-building measures including cultural and other exchanges; and
- A promise that Nicaragua would follow through on previous pledges to permit political pluralism and a diversified economy.

April 10

European Common Market approves total ban on imports from Argentina.

Secretary Haig holds talks with Argentine Foreign Minister Nicanor Costa Mendez and with President Galtieri.

April 11

Secretary Haig leaves Buenos Aires for London.

April 12

Secretary Haig arrives in London with ideas developed on the basis of U.N. Security Council Resolution 502. After 11 hours of talks with the British leaders, he delays returning to Buenos Aires until April 13 because a number of substantial differences remain.

British submarines begin Falkland Island blockade.

At President Reagan's request, Deputy Secretary Walter Stoessel leaves for Tel Aviv and Cairo to assist in final arrangements for the April 25 withdrawal of Israeli forces from the Sinai.

The following ambassadors presented their credentials to President Reagan: Edmund Andrew Marshalleck of Belize; René Amany of the Ivory Coast; Edmund Hawkin Lake of Antigua and Barbuda; and Bernard Sepulveda Amor of Mexico.

April 13

Secretary Haig returns to Washington to consult with President Reagan after Argentina rejects a British proposal.

OAS passes Resolution 359 expressing "concern" over the Falkland Islands crisis and offers its "friendly cooperation" to peace efforts already underway.

April 15

Secretary Haig arrives in Buenos Aires for a new round of intensive talks with the Argentine Government.

Argentine President Galtieri telephones President Reagan to discuss the crisis during which President Reagan expresses his wholehearted commitment to Galtieri and his personal desire for a peaceful resolution of the dispute.

U.S.-Federal Republic of Germany sign a new bilateral agreement under which the F.R.G. will provide vital host nation support designed to accelerate the deployment of American reinforcement troops to Europe in times of crisis or war.

April 17

Her Majesty Queen Beatrix and His Royal Highness Prince Claus of the Netherlands make a state visit to the United States April 17-24, and to Washington, D.C. April 19-22 to mark 200 years of U.S.-Dutch relations in a bicentennial celebration by both countries.

In a ceremony in Ottawa, Queen Elizabeth II formally transfers constitutional power from Britain to Canada. Though formally independent since 1931, the power to amend the constitution remained in London because the provinces and the federal government could not agree on a procedure for amending it. With this action, the 115-year-old Constitution Act becomes a Canadian document, and Canada will have sole power to amend it.

April 19

Secretary Haig ends talks and leaves Buenos Aires for Washington.

Congress designates April 19 as Dutch-American Friendship Day, and President Reagan proclaims 1982 Dutch-American Friendship Year.

April 20

Zimbabwe Prime Minister Robert Mugabe announces that 32 African cities and towns will be renamed including Salisbury, which will be called Harare.

April 21

By a vote of 18-0, with 3 abstentions—U.S., Colombia, and Trinidad and Tobago—the OAS adopts Resolution 360 to convene the Organ of Consultation on April 26 to "consider collective action against Britain." The U.S. does not participate in the vote.

Israeli jets strike at PLO positions south of Beirut hours after an Israeli soldier is killed by a land mine in southern Lebanon. U.S. urges all parties to refrain from actions that could jeopardize the cease-fire agreement in place since July 24, 1981, on the Israeli-Lebanon border.

April 22

Vice President Bush makes official visits to Japan, Korea, Singapore, Australia, and New Zealand April 22 through May 6. During the visits, the Vice President participates in events marking the 100th year of U.S.-Korean relations, the 40th anniversary

of the World War II battle of the Coral Sea near Australia, and the 30th anniversary of the Australia-New Zealand-U.S. (ANZUS) defense agreement.

El Salvador's Constituent Assembly elects Roberto D'Aubuisson of ARENA as President of the Assembly.

British Foreign Secretary Francis Pym arrives in Washington with London's counter-proposals to those offered by Argentina and for talks with Secretary Haig April 22-23.

April 25

In fulfillment of the terms of the Egyptian-Israeli peace treaty of March 26, 1979, Israel returns to Egyptian sovereignty the final portion of the Sinai Peninsula.

U.K. recaptures South Georgia Island.

April 26

Tunisian Prime Minister Mohamed Mzali makes official working visit to Washington, D.C. April 26-30.

OAS foreign ministers, in the 20th Meeting of Consultation, issue a declaration urging that "peace be maintained in the hemisphere and that law prevail as a basis for international relations."

Secretary Haig meets with foreign ministers of the Rio treaty signatories to present a solution to the Falklands crisis working within the framework of U.N. Security Council Resolution 502.

April 28

By a vote of 17 to 0 with 4 abstentions—U.S., Colombia, Chile, and Trinidad and Tobago—foreign ministers of the 20th Meeting of Consultation of the OAS adopt Resolution 28 supporting Argentina's claim to sovereignty over the Falkland Islands and urging Argentina and Britain to accept a cease-fire and withdraw forces from the area.

April 29

By a vote of 36 to 17 with 7 abstentions, El Salvador's Constituent Assembly elects Alvaro Alfredo Magana, a political centrist, as provisional President of the country.

In response to the British announcement on imposing a blockade, Argentina's military junta imposes its own blockade stating that any British ship or plane found within 200 miles of the Falklands would be regarded as hostile and dealt with "accordingly."

April 30

By a vote of 130 to 4, Third World nations in the United Nations adopt a Law of the Sea treaty. U.S. rejects the code and 17 nations, a combination from the European Economic Community and the Soviet bloc, abstain.

With large-scale military action likely and failure to bring about peace within the framework of U.N. Security Council Resolution 502, the U.S. sides with Britain in the Falklands crisis and offers to respond positively to British requests for "material support." In light of Argentina's failure to accept a compromise, President Reagan, accus-

ing Argentina of "armed aggression" orders limited sanctions against that country which include:

- Suspension of all military exports;
- Withholding certification of Argentine eligibility for military sales;
- Suspension of new Export-Import Bank credits and guarantees; and
- Suspension of Commodity Credit Cooperation guarantees. ■

Department of State

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

No.	Date	Subject
*113	4/1	Robert L. Barry sworn in as Ambassador to Bulgaria (biographic data).
*114	4/1	Fred J. Eckert sworn in as Ambassador to Fiji (biographic data).
*115	4/5	Richard W. Murphy sworn in as Ambassador to Saudi Arabia (biographic data).
*116	4/5	State Department announces contract award to Price Waterhouse for development of a financial management system.
117	4/6	Haig: address before Center for Strategic and International Studies, Georgetown University.
*118	4/6	Herman W. Nickel sworn in as Ambassador to South Africa, Apr. 4 (biographic data).
*119	4/7	H. Eugene Douglas appointed U.S. Coordinator for Refugee Affairs.
*120	4/9	U.S. Organization for the International Radio Consultative Committee (CCIR), study group 2, May 10.
*121	4/9	CCIR, study group 4, May 19.
*122	4/9	U.S. Organization for the International Telegraph and Telephone Consultative Committee (CCITT), study group D, modem working party, Apr. 29.
*123	4/9	Presidential Commission on Broadcasting to Cuba, May 3 (partially closed).
124	4/12	Haig: arrival statement, London.
125	4/13	Haig: statement, London, Apr. 12.
126	4/13	Haig: arrival remarks, Andrews Air Force Base, Apr. 13.

PUBLICATIONS

- *127 4/14 U.S., India amend textile agreement, Mar. 18 and 19.
- *128 4/14 U.S., India amend textile agreement, Mar. 23 and 26.
- *129 4/14 U.S., India amend textile agreement, Mar. 16 and 18.
- *130 4/2 Howard K. Walker sworn in as Ambassador to Togo (biographic data).
- 131 4/14 Haig: statement on Argentine-British dispute.
- *132 4/16 Program for the state visit of Netherlands Queen Beatrix to the United States, Apr. 14-24.
- *133 4/19 U.S., Pakistan amend textile agreement, Mar. 9 and 12.
- 134 Not issued
- *135 4/19 U.S., Brazil sign textile agreement, Mar. 31.
- 136 4/20 Haig: question-and-answer session, Buenos Aires, Apr. 18.
- 137 4/20 Haig: question-and-answer session, Buenos Aires, Apr. 18.
- *138 4/20 U.S.-Mexico meetings on business visa reciprocity.
- 139 4/20 Haig: departure statement, Buenos Aires, Apr. 19.
- 140 4/21 Haig: statement, Caracas, Apr. 19.
- *141 4/23 U.S. Trade Representative Brock and Assistant Secretary Hormats to speak, National Consumer Week, Apr. 27.
- *142 4/26 Program for the working visit of Tunisian Prime Minister Mohamed Mzali, Apr. 26-30.
- *143 4/26 Shipping Coordinating Committee (SCC), Subcommittee on Safety of Life at Sea (SOLAS), working group on radiocommunications, May 13.
- *144 4/26 SCC, SOLAS, panel on bulk cargoes, June 2.
- *145 4/26 Overseas Schools Advisory Council, June 8.
- 146 4/27 Haig: statement to Foreign Minister meeting on the Rio treaty, Apr. 26.
- 147 4/27 Haig: address before the annual meeting of the U.S. Chamber of Commerce.
- *148 4/28 Appointment of U.S. delegation chairman to the Plenipotentiary Conference of the International Telecommunication Union.
- *149 4/30 U.S., India amend bilateral textile agreement, Mar. 31 and Apr. 7.
- 150 4/30 Haig: statement on Falkland Islands dispute.
- *151 4/30 National Organizations of the
- sultative and the International Telegraph and Telephone Consultative Committees, joint working party, May 19.
- *152 4/30 Advisory Committee on International Investment, Technology, and Development, June 2.
- *153 4/30 SCC, SOLAS, June 9.
- *154 4/30 CCIR, study group 4, May 19.

*Not printed in the BULLETIN.■

Department of State

Free, single copies of the following Department of State publications are available from the Public Information Service, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.

Secretary Haig

American Power and American Purpose, U.S. Chamber of Commerce, Washington, D.C., Apr. 27, 1982 (Current Policy #388).

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June 1982
Volume 82, No. 2063

Afghanistan. U.S. Response to the Worldwide Refugee Crisis (Douglas, Vine) . . . 73

Africa

Communist Influence in Southern Africa (Crocker) 46

Role of the U.S. Private Sector in Zimbabwe (Crocker) 47

U.S. Response to the Worldwide Refugee Crisis (Douglas, Vine) 73

Angola. Communist Influence in Southern Africa (Crocker) 46

Antarctic. U.S. Antarctic Program (White House statement) 49

Argentina. Background on the Falkland Islands Crisis (Petersen) 88

The Falkland Islands (Haig, Middendorf, White House and Department statements, texts of resolutions and declaration) . . . 81

Arms Control

American Power and American Purpose (Haig) 40

Arms Control and the Future of East-West Relations (Reagan) 34

President's Radio Address to the Nation . . . 39

The Strategic Arms Reduction Talks (Haig) 44

Atomic Energy. Nuclear Common Sense (Kennedy) 69

Barbados. President's Visit to Jamaica and Barbados (Reagan, White House statement) 37

Canada. U.S.-Canadian Economic Relations (Hormats) 50

Communications. International Communications and Information Objectives (Buckley) 78

Communism. Communist Influence in Southern Africa (Crocker) 46

Congress

Communist Influence in Southern Africa (Crocker) 46

Deployment and Mission of U.S. Forces in the MFO (letter to the Congress) 68

Foreign Policy Export Controls (Johnston) . 55

Nuclear Cooperation With EURATOM (letter to the Congress) 71

Seventh Report on Cyprus (message to the Congress) 62

The Strategic Arms Reduction Talks (Haig) 44

U.S.-Canadian Economic Relations (Hormats) 50

U.S. Policy Toward the Persian Gulf (Veliotis) 65

U.S. Relations With West Germany (Burns) 60

U.S. Response to the Worldwide Refugee Crisis (Douglas, Vine) 73

Cuba

Communist Influence in Southern Africa (Crocker) 46

Foreign Policy Export Controls (Johnston) . 55

Cyprus. Seventh Report on Cyprus (message to the Congress) 62

Developing Countries

American Power and American Purpose (Haig) 40

Arms Control and the Future of East-West Relations (Reagan) 34

Role of the U.S. Private Sector in Zimbabwe (Crocker) 47

Economic Assistance. The Marshall Plan: Origins and Implementation (Sanford) . 17

Economics

Arms Control and the Future of East-West Relations (Reagan) 34

Foreign Policy Export Controls (Johnston) . 55

Libya: U.S. Economic Measures (Department statement) 68

Role of the U.S. Private Sector in Zimbabwe (Crocker) 47

U.S.-Canadian Economic Relations (Hormats) 50

U.S. Relations With West Germany (Burns) 60

Environment. International Environmental Issues (Buckley) 57

Europe

The Marshall Plan: Origins and Implementation (Sanford) 17

U.S. Response to the Worldwide Refugee Crisis (Douglas, Vine) 73

European Communities. Nuclear Cooperation With EURATOM (letter to the Congress) 71

Germany

U.S., F.R.G. Sign Wartime Host Nation Support Agreement (joint statement) . . 61

U.S. Relations With West Germany (Burns) 60

Information Policy. International Communications and Information Objectives (Buckley) 78

Italy. Visit of Italian President Pertini (Pertini, Reagan) 63

Jamaica. President's Visit to Jamaica and Barbados (Reagan, White House statement) 37

Korea. Establishment of Korean-American Relations: A Centennial (Schwar) 1

Latin America and the Caribbean. U.S. Response to the Worldwide Refugee Crisis (Douglas, Vine) 73

Libya

Foreign Policy Export Controls (Johnston) . 55

Libya: U.S. Economic Measures (Department statement) 68

Middle East

Deployment and Mission of U.S. Forces in the MFO (letter to the Congress) 68

U.S. Policy Toward the Persian Gulf (Veliotis) 65

U.S. Response to the Worldwide Refugee Crisis (Douglas, Vine) 73

Military Affairs. U.S., F.R.G. Sign Wartime Host Nation Support Agreement (joint statement) 61

Namibia. Communist Influence in Southern Africa (Crocker) 46

North Atlantic Treaty Organization

American Power and American Purpose (Haig) 40

Arms Control and the Future of East-West Relations (Reagan) 34

U.S., F.R.G. Sign Wartime Host Nation Support Agreement (joint statement) . . 61

U.S. Relations With West Germany (Burns) 60

Nuclear Policy

Nuclear Common Sense (Kennedy) 69

Nuclear Cooperation With EURATOM (letter to the Congress) 71

Presidential Documents

Deployment and Mission of U.S. Forces in the MFO (letter to the Congress) 68

Nuclear Cooperation With EURATOM (letter to the Congress) 71

President's Radio Address to the Nation . . . 39

President's Visit to Jamaica and Barbados (Reagan, White House statement) 37

Seventh Report on Cyprus (message to the Congress) 62

Visit of Italian President Pertini (Pertini, Reagan) 63

Publications 94

Refugees. U.S. Response to the Worldwide Refugee Crisis (Douglas, Vine) 73

Science and Technology. U.S. Antarctic Program (White House statement) 49

South Africa. Foreign Policy Export Controls (Johnston) 55

Trade. U.S.-Canadian Economic Relations (Hormats) 50

Treaties

Current Actions 90

Nuclear Common Sense (Kennedy) 69

U.S., F.R.G. Sign Wartime Host Nation Support Agreement (joint statement) . . 61

U.S.S.R.

American Power and American Purpose (Haig) 40

Arms Control and the Future of East-West Relations (Reagan) 34

Communist Influence in Southern Africa (Crocker) 46

President's Radio Address to the Nation . . . 39

The Strategic Arms Reduction Talks (Haig) 44

United Kingdom

Background on the Falkland Islands Crisis (Petersen) 88

The Falkland Islands (Haig, Middendorf, White House and Department statements, texts of resolutions and declaration) . . . 81

Zimbabwe. Role of the U.S. Private Sector in Zimbabwe (Crocker) 47

Name Index

Buckley, James L 57, 78

Burns, Arthur F 60

Crocker, Chester A 46, 47

Douglas, H. Eugene 73

Haig, Secretary 40, 44, 81

Hormats, Robert D 50

Johnston, Ernest B. Jr 55

Kennedy, Richard T 69

Middendorf, J. William II 89

Pertini, Alessandro 63

Petersen, Neal H 88

Reagan, President 34, 37, 39, 62, 63, 68, 71

Sanford, William F. Jr 17

Schwar, Harriet D 1

Veliotis, Nicholas A 65

Vine, Richard D 73

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